This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

+ *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.

+ *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.

+ *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.

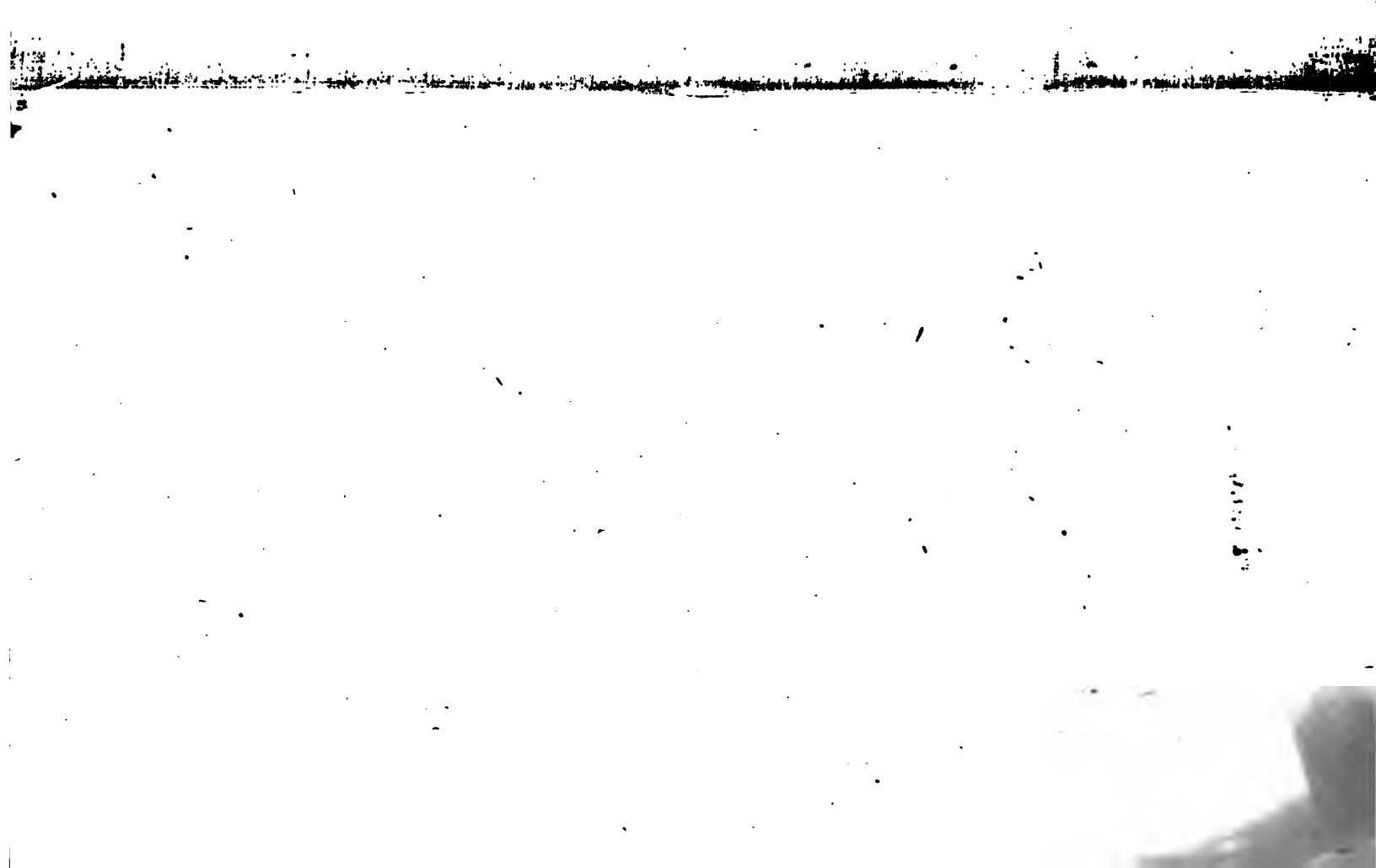
+ *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at `http://books.google.com/`

LIBRARY
OF THE
UNIVERSITY OF CALIFORNIA.

Class 3.45



THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

EDITED BY

WILLIAM B. DANA.

VOLUME FIFTY-FOUR,

FROM JANUARY TO JUNE, INCLUSIVE, 1866.

LIBRARY
OF THE
UNIVERSITY
OF

New York:

WILLIAM B. DANA, PUBLISHER AND PROPRIETOR.

NO. 60 WILLIAM STREET.

1866.

HF1
M5
v.54

ALPHABETICAL INDEX

TO SUBJECTS CONTAINED IN THE

MERCHANTS' MAGAZINE & COMMERCIAL REVIEW.

VOLUME LIV.

FROM JANUARY TO JUNE, BOTH INCLUSIVE.

EDITED BY WILLIAM B. DANA.

A.

PAGE

Accidents, Railroads and Steamboats 175
Agriculture, Report of U. S. Commissioner of..... 152
Alabama, Public Debt of..... 440
American Bonds and Stocks at London, Price of...127, 228, 308, 390, 468
Analyses of Railroad Reports... 18, 115 194, 272, 349, 442
Army Mortality..... 477
Atlantic Cable, The new..... 319
Austro-Prussian War-Cloud..... 372

B.

Balance of Trade (C. H. Carroll).... 89
Balance of Trade and Protection (R. Sulley) 331
Bank Circulation, Apportionment of National 233
Bank of England, Bullion in the.... 400
Bank of England, A Visit to the Bullion Vaults of 337
Bank Note Tax..... 404
Banking, Currency and Finance, Journal of..85, 131, 233, 213, 396, 468
Banking, Report of Superintendent of Banking (N. Y.) Department.... 140
Banks, Dividends of New York City (1860-65)..... 87
Banks, Dividends of Boston (1864-65) 132

PAGE

Banks of New York Philadelphia and Boston (weekly returns)..88, 133 234, 315, 398, 472
Banks, Taxation of Stockholders of —Act of New York Legislature.. 480
Bells of the World, Monster..... 157
Biography (and Portrait) of Hiram Walbridge 9
Book Trade (Reviews)....245, 323, 405
Boston Bank Dividends (1864-65).. 132
Boston Banks, Weekly Returns of 88, 133, 235, 316, 398, 478
Boston and Worcester Railroad)Analyses) 353
British and New York Railroads (10 years) 120
Budget, The English..... 431
Bullion in Bank of England..... 400
Bullion Vaults of the Bank of England, A Visit to..... 337

C.

California Gold, Quicksilver, etc., 1865 213
Carey, (H. C.)'s Our Resources..... 31
Cattle Plague..... 163
Cattle Yards of Chicago..... 166
Chicago and Alton Railr'd (analyses). 279
Chicago Cattle Yards..... 166
Chicago, Lumber Trade of..... 101

PAGE
Chicago, Pork Packing in..... 376
Cincinnati, Finances of..... 16
Cincinnati Hamilton and Dayton Railroad (Analysis)..... 18
Cleveland and Pittsburg Railroad (Analysis) 356
Coal in the United States..... 418
Coal, Production and Consumption of 267
Coal and Slack, Oil and Coke from.. 84
Coffee 164
Commerce of New York..... 206
Commerce of the United States.... 347
Commercial Chronicle and Review 77, 123, 224, 295, 387, 469
Commercial and Industrial Statistics. 152
Commercial Law.....52, 107, 188, 269
Copper Mining Companies (Lake Superior) 220
Cotton Exported from United States (7 years)..... 171
Cotton, Imports and Consumption of in Europe, 1862-65..... 173
Cotton, Stock of, in Europe and afloat 387
Cotton Supply, the Past and Future. 457
Course of Foreign Exchange....86, 131 231, 313, 395, 468
Course of Gold. 84, 130, 231, 312, 394, 467
Currency, Report of Comptroller of. 85

D.

Debt and Finances of Georgia..... 437
Debt of the United States (monthly statement)..70, 133, 218, 316, 385, 473
Debt of Alabama, Public..... 440
Debt of Illinois..... 143
Debt of Georgia..... 437
Debt of Kentucky..... 344
Debt of Massachussetts..... 144
Debt of Michigan..... 143
Debt of North Carolina 192
Debt of Ohio.. 142
Debt of San Francisco..... 403
Debt of Tennessee..... 289
Debt of Toronto..... 146
Debt of Virginia..... 342
Domestic Gold and Silver, Sources and Amounts to close of 1865.... 317
Dry Goods, N.Y. Imports of. 100, 392, 465

E.

English Budget, The..... 431
England, Iron-Clad Navy of..... 401
Erie Railway (Analysis) 201, 445
Exchange, Course of Foreign....85, 131 231, 312, 395, 468

F.

Federal, State Municipal Finances.. 141
Fenianism and British Confederation 301
Finances of Cincinnati..... 16
Finances of St. Paul..... 145
Finances of Tennessee..... 289
Fire Insurance (Commercial Laws).. 269
Food and its Adulterations 340
French Iron-Clad Navy..... 319

G.

Georgia, Debt and Finances of 437
Gold Certificates issued, etc..... 312
Gold, Course of.. .....84, 130, 231, 312 394, 467
Gold in New Zealand..... .. 401
Gold, Shipments Receipts at San Francisco 213
Gold and Silver, Sources of Domestic for 3 years..... 317
Gold and Silver, World's Production of (10 years)..... 221
Government Bonds, Taxation of ... 409
Government Securities, Price of. 127, 309 390, 463
Grain Trade of Minnesota..... 479
Great Britain, Trade with United States, 1865..... 288

H.

Hazard, R. G., How to Resume Specie Payments..... 249
Hudson River Railroad (Analysis). . 198

I.

Illinois State Debt..... 143
Immigration by Steamships..... 219
India and China, Telegraph..... 242
India, Railways in..... 243
Insurance Dividends, 1860-64..... 134
Insurance against Accidents..... 148
Insurance Legislation..... 146
Insurance, Non-occupation vitiates.. 168
Insurance, Marine.....52, 107, 188
Interest, What Fixes a Rate of..... 423
Internal Revenue Returns..... 224
Internal Revenue in New York..... 244
Insurrection, The end of the—Some of its tendencies..... 329
Iowa, Census of..... 161
Iron-Clad Navy, French..... 319
Iron-Clad Navy of England..... 401

J.

Japan, Treaty with..... 402
Journal of Banking, Currency and Finance....85, 131, 233, 313, 396, 468

K.

PAGE
Kentucky, Debt and Finances of.... 344

L.

Lake Superior Copper Mining Companies 220
Lake Superior Mining..... 149
Loan Bill, The..... 322
Loans and Discounts, Rates of..124, 227 308, 388, 461
Lowell, Manufactures of..... 158
Lumber Trade of Chicago..... 101
Lumber Trade of San Francisco.... 215

M.

McCulloch, Letter on Distribution of National Currency..... 368
Marine Losses 1865..... 99
Marine Insurance (Commercial Law). 52 107 188
Mariners' Compass, Errors of the.... 184
Massachussetts State Debt..... 144
Mercantile Biography..... 9
Merthye and its Iron Works..... 186
Metals, Transmutation of..... 399
Mexico, Population, etc., of..... 159
Michigan, its Mineral Wealth..... 474
Michigan State Debt..... 143
Michigan Southern Railroad..... 442
Milwaukee and Prairie du Chien Rail-Road (Analyses)..... 284
Mines and Mining Statistics..... 149
Minnesota, Grain Trade of..... 479
Mint, Statistics of San Francisco... 214
Missouri and its Mining..... 263
Missouri Railroad Debt..... 291

N.

National Banks, Decision on Taxation of..... 295
National Banks, Instructions to..... 235
National Bank Circulation, Apportionment of..... 233
National Currency, McCulloch's Letter on..... 368
National Banks, (quarterly return).. 398
National Debt, (monthly returns)... 70 133, 218, 316, 385, 473
National Debt, Act to Fund..... 405
New York Auctioneers' and Brokers' Tax Law..... 399
New York Banks (annual returns).. 140
New York Banks (weekly returns).. 87 88, 133, 234, 315, 398, 472
New York Central Railroad (analysis) 22, 450
New York 1860-65, Commerce of.. 206
New York and New Haven Railroad (analyses)..... 194
New York Railroads 1865, Operations of..... 258
New York, Shipping at..... 304
New Zealand, Gold in..... 401
North Carolina, Debt of..... 192
Northern Central Railroad (analysis) 362

O.

Ohio State Debt 142
Oil and Coke from Coal and Slack.. 321

P.

Panic, London Financial..... 413
Pennsylvania Railroad (analysis)... 272
Petroleum, 1865..... 122
Philadelphia Banks (weekly)....88, 133 234, 315, 398, 472
Philadelphia and Reading Railroad (analysis) 115
Philadelphia, Wilmington and Baltimore Railroad (analysis) 358
Philosophy of Shipments..... 223
Photographic Discoveries..... 155
Pork Packing in Chicago..... 376
Post Master General's Report..... 57
Prices of Government Securities.... 127 228, 309, 392
Prices of leading articles for 8 years. 81
Prices of Railroad Shares...88, 129, 212 258, 362, 465
Prices of United States Paper and Gold....82, 127, 228, 258, 392, 463
Public Debt of United States....70, 133 218, 316, 385, 473

Q.

Quicksilver, Receipts and Exports at San Francisco..... 213

R.

Railroad Accidents in Ohio, etc..... 175
Railroad, Canal and Telegraph Statistics 238
Railroad Dividends (Pennsylvania).. 318
Railroad, Operations of New York.. 238
Railroad Shares, Prices of..88, 129, 230 309
Railroad Reports, Analyses of...18, 115 194, 272, 349, 442
Railroad Debt of Missouri..... 291
Railroad, Boston and Worcester.... 353

PAGE
Railroad, Cincinnati, Hamilton and Dayton 18
Railroad, Chicago and Alton..... 270
Railroad, Cleveland and Pittsburg.. 356
Railroad, Hudson River..... 198
Railroad, Michigan Southern..... 442
Railroad, Milwaukee and Prairie du Chien 284
Railroad, New York Central... 22, 445
Railroad, New York and New Haven 194
Railroad, Northern Central..... 362
Railroad, Pennsylvania..... 274
Railroad, Philadelphia and Reading. 115
Railroad, Philadelphia, Wilmington and Baltimore 85
Railroad, South Carolina..... 366
Railroad, Western..... 349
Railroads of California..... 240
Railroads, British and New York.... 120
Railway, Erie..... .....201, 445
Railways in India..... 243
Rehabilitation of the South..... 169
Resources, Our (H. C. Carey)..... 81
Reviews of Books.....245, 323, 405

S.

St. Paul, Finances of..... 145
Saleratus by the acre..... 158
Sales, State Taxes on..... 374
San Francisco—Its Debt, Valuation and Taxation..... 403
San Francisco, Receipts, and Exports of Gold, Quicksilver, etc..... 213
San Francisco Lumber Trade..... 215
Secretary of the Treasury's Report. 11
Silver, World's Production of..... 222
Shipments, Philosophy of..... 223
Shipping at New York, 1865..... 294
South, Rehabilitation of..... 169
South Carolina Railroad..... 366
Specie Payments, How to Resume, (R. G. Hazard)..... 249
State Debts—Illinois 143, Kentucky 344 Massachussetts 144, Michigan 143 North Carolina 192, Ohio 142, Tennessee 289, Virginia..... 342
State Tax on Sales..... 374
Statistical Information—Its uses and Importance 426
Steamships, Application of Hydraulics to..... 336
Steamships, National aid to American 454

T.

Taxation of Government Bonds..... 409
Taxation of National Banks..... 295
Telegraph to India and China..... 243
Tennessee, Finances of 289
Toronto. Debt of..... 146
Trade, Balance of (C. H. Carroll).... 89
Trade, Balance of, and Protection (R. Sulley) 331
Trade of Great Britain with the United States, 1865..... 298
Treasure Movement. 84, 95, 128, 135, 229 467
Treasury, The National..... 161
Treasury Report..... 61

U.

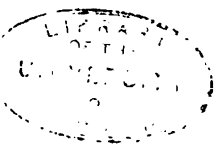
United States, Commerce of..... 347
United States Debt....70, 133, 218, 316 385
United States, Manufactures of (Census 1860)..... 138
United States, Cotton exported from 1858-65 171
United States, Crops, Live Stock and Farms of the..... 152
United States Paper and Gold, Price of.....82, 127, 309, 390, 463
United States Trade with Great Britain 298

V.

Virginia State Debt 342
Virginia, Wealth of..... 151

W.

Walbridge (Hiram) Portrait and Biography of..... 9
Waterhaus, (S.) Missouri and its Minerals..... 263
Western Railroad (analysis)..... 349
Woolen Goods..... 158



THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

JANUARY, 1866.

LIBRARY OF THE UNIVERSITY OF

HIRAM WALBRIDGE.

The career of General Walbridge affords a bright example of the influence of American institutions in developing character. Endowed with a genial temper, rare tact and energy, he has added to it indomitable purpose, patience of labor, and accurate knowledge of men. As a result he has attained wealth, social position, and a national reputation to which he can refer with honorable pride. The obstacles which he has surmounted would have discouraged others; and he has displayed talent as a statesman, sagacity and probity as a man of business which do him the highest credit. He is, perhaps, one of the best examples of the Young America school now on the stage of active life.

Walbridge is of a New England family, but was born at Ithaca, New York, February 2, 1821. His ancestor, General Walbridge, fought at the battle of Bennington. Early in life his father moved with his family to Ohio, where he spent his boyhood. In 1839 he became a student at the Ohio University; but his career at that institution was soon finished. Having become warmly attached to General Harrison, then a candidate for the Presidency, at whose house he had been a frequent and welcome guest, and though a Democrat in his proclivities, and but nineteen years old, he, with his usual earnestness, espoused the cause of the hero of Tippecanoe. Being invited to make a speech at a political gathering, and not obtaining leave to attend, took it for himself. While addressing the audience with great earnestness, word came to him that he had been expelled for his disobedience. This, however, did not move him, but he finished his remarks, had an ovation, packed his trunk, returned home, and afterward finished his education at another college.

He took up his residence at Toledo, where he was speedily elected an alderman. In 1844 he received, from Governor Bartley, the commission of Brigadier-General of the 18th division of the Militia of Ohio. Entering upon the political canvass in support of Mr. Polk, he became one of the most popular young orators of Ohio. He was offered the position of Colonel during the war with Mexico, but declined it, having resolved

to make New York his future home. Here he engaged in business with extraordinary success; never losing his interest in public affairs. The establishment of a republic in France, and the heroic struggle of the Hungarians awoke his liveliest sympathies. In 1851 he visited Europe making the acquaintance of the leading statesmen and men of science. On his return home he was elected to Congress. He soon afterward visited California, making himself familiar with its situation, and returned in time to take his seat in Congress. His official career was a successful one. Every measure to promote commerce and national integrity received his strongest support. He opposed the protection policy in all its forms, and the following resolutions were proposed by him in relation to our maritime rights:

"Resolved by the Senate and House of Representatives of the United States of America, in Congress assembled: That the United States, as a maritime power, having neutral rights to maintain, deem it proper in view of the existing war in Europe, to declare and make known that every American vessel engaged in the lawful pursuits of commerce is held by this Government to be protected by the flag which covers her, and which shall be the evidence of her neutrality; that we attach to all such vessels a character of sovereignty, considering them as clothed with immunities corresponding with those appertaining to our territory; that our rights, as thus declared, rest upon no precarious or temporary basis, nor upon the concession of any power, but upon public law as insisted upon from the early history of the Republic; and that any attempt to enforce an obsolete right of impressment, secret detention, or irritation in regard to such American ship will be regarded as an act of hostility to the United States, and just cause of war.

"Be it further Resolved, That as the existing conflict in Europe may lead to the change of political sovereignty in others, we deem it proper for Congress to make known to them that we affirm the doctrine that we should consider any attempt on their part to extend their system of Government to any part of this hemisphere as dangerous to our peace and safety; and from the geographical and commercial position of the Island of Cuba to this continent, we will never consent to her sovereignty being transferred except to the United States, to which she seems naturally to belong."

The adoption of this policy by our Government would have obviated the unfortunate affair of the San Jacinto. The express declaration by Congress of our mercantile rights at the time when England and France were engaged in a conflict with Russia would have been a favorable moment to prescribe an American policy commensurate with our power, and in conformity with the position which we expect to occupy as a nation abroad.

Actuated by his strong professions in favor of popular sovereignty, General Walbridge arrayed himself with the friends of Judge Douglas, and continued while that statesman remained in public life, to sustain his principles and policy. After his death General Walbridge, in a a speech, paid him the following tribute:

"One sentiment always controlled the actions of Mr. Douglas. His love for the Union was a passion. He had paid a visit to the hermitage during his earlier Congressional course, and received from the venerable Jackson his acknowledgement and benediction. The old hero predicted for him a glorious career. Indeed, the same idea which Jackson had once enunciated pervaded the whole mind of Douglas: "The Union must and shall be preserved."

"Queen Mary of England declared that when she was dead the name of Calais would be written on her heart. Jackson might have also affirmed that in his heart was inscribed the purpose to maintain the American Union. That purpose he had bequeathed with his blessing to Stephen A. Douglas, by whom most nobly it was

maintained. We all remember the story of Bruce who, when he died, committed his heart to the brave James Douglas to convey to the Holy Land. The chief took the sacred charge and set out for the holy sepulchre. Arriving in Spain he was persuaded to delay his journey and aid King Alfonso in a battle against the Moors. For a season the claymore swept its way murderously among the Infidel hosts; presently their commander massed a troop of men and hurled them against the adventurous Scot. Douglas was surrounded, and found himself in mortal peril. Instantly taking from his bosom the silver case which enclosed his sacred charge, he hurled it into the midst of the Paynien host, shouting, '*Lead on, brave Heart, where thou wast wont, and Douglas will follow!*' Then cutting through the ranks of the enemy, he made his way to the heart of the Bruce, and fell, expiring upon it.

"Our Douglas had been entrusted with the purpose engraven on the heart of Jackson, devotion to the Union. He bore it, if not to the field of battle, certainly to the place where mighty men did violence to the Constitution of the nation. He was its champion while they were perpetrating the sacrilege. As his life ebbed away, he, with his dying breath, shouted out, like his immortal namesake, 'I will follow,' and in the very act of defending the Union against the assaults of traitors, died full of glory."

At the close of the first session in 1854, the Democrats of his district offered General Walbridge a nomination which he was compelled to decline. When he first took office he withdrew from business, and entrusted his property to a friend. On his return from Washington he found it sunk. He was not the man to be disheartened; his immense vitality would not suffer him to despond. He resumed business at once, and before long was more prosperous than ever.

The next important public measure proposed by the General was the celebrated one of the "Militia of the Seas." He first suggested this in a speech at Tammany Hall, on the 21st of August, 1856. It was copied with approbation by journals of every shade of public sentiment all over the country. An edition was subsequently published and widely circulated. After discussing the condition of the different countries of Europe he described the tonnage of the United States and its inadequate protection. He then explained his proposed mode of reorganizing the navy to meet the exigency—a plan which, if adopted, would have utterly prevented the destruction of our commerce by European privateers during the late rebellion, and abridged the duration of the contest. He said:

"Suggestions that seek to make radical changes should always be advanced with hesitation and distrust; yet all great improvements in government has heretofore sprung from the experience of the people themselves, who are usually in advance of their rulers in whatever most concerns their own prosperity and welfare. The general government should hold out some inducements to our great commercial mariner to aid in protecting itself. Under the sanction of law, with ample guards and restrictions, there should be organised a Militia Navy, an arm of defense corresponding to that employed by the government in the land service, under our enrolled militia system, by which shipowners should receive encouragement and aid by law in construction of their vessels, so as to make them capable of bearing guns if required in the service of their country. The captains and subordinate officers should be commissioned in the name of the General Government, upon some equitable plan that will give them rank and emolument in proportion to the demands upon their time and service in the new capacity of representing the naval power of the Union. The humblest youth who enters as a cabin-boy, or in the lowest capacity as a seaman, should be educated and trained in his honorable though adventurous and dangerous profession That not only in the navy proper but in this new service, the naval powers of the Union will be represented.

"Our noble empire State, second to none but foremost of all, this great commercial emporium, the seat of energy, enterprize, and commercial power, are felt and acknowledged throughout the world, have a right to be heard upon this as upon all

questions affecting the trade and prosperity of the Union. New York demands the recognition and absolute immunity from such a detention of our flag upon the high seas; that her commerce and expanding trade should be left unshackled by unwise restraints of legislation; and then, with her resources in every department of industry, in agriculture, in manufactures, in commerce, and trade, she will vindicate her pre-eminence and power in the great family circle of free and independent States that constitute our national Union."

During the recent civil war General Waldridge, though a Democrat, was signally efficient in his suggestions and efforts to uphold the national authority. His plan was to put the country on a war footing for not less than three years and an enrollment of 600,000 men, of whom one half the number should be kept in the field. This would place the struggle beyond the risk of failure, and be an economy in money, economy to the industry of the country, diminish the effusion of blood, exalt our policy, and give to our republican institutions a controlling influence upon the continent. In May, 1861, he addressed a series of letters to President Lincoln and to the Governor of the several States. At the time no General seems to have been in favor of raising more than 300,000 men. His influence procured the acceptance of ten regiments from Massachusetts and a battery of artillery at a period when there appeared to be a general apprehension that too many soldiers would be put in the field. He received public thanks for those services, and the position of Brigadier General of Volunteers was formally tendered him by Secretary Cameron, which was respectfully declined, although General Walbridge intimated that at a future day he would be ready to enter the service. He also addressed a letter to Mr. Lincoln suggesting the occupation of Port Royal as a place of rendezvous for 200,000 men, to which he received the following reply:

WASHINGTON, November 18, 1861.

General HIRAM WALBRIDGE:

DEAR SIR,—Your note reminding me of the fact that as early as April last, you pointed out to me on the map Port Royal and Beaufort as advantageous places to make lodgments on the Southern coast, is received. I am free to confess that you were the first who called my attention to that particular locality. I also remember that you insisted that we should call six hundred thousand men into the field a considerable time before I had brought my own mind up to anything near so large a scale.

Yours truly,

A. LINCOLN.

During the Summer and Autumn of 1862, General Walbridge continued to speak and labor for the vigorous promotion of the war. On the 4th of July, when the time was darkest, he addressed an audience at the Cooper Institute declaring that this great metropolis continued its adherence to Constitutional Government, and stood by those who would never abandon the Government till after quelling treason at home, they could present themselves as a great, powerful and united nation, capable of commanding and enforcing respect every where.

On the 14th of the same month a meeting of some fifty thousand persons was held on Union Square, at which he maintained the establishment of an internal line of water communication along the Atlantic coast by connecting the waters of the Roanoke and Chesapeak Bay with

those of the East terminus of Long Island, which could rapidly be effected by deepening less than fifty miles of internal canal navigation. The effect of this plan would be to give us an internal line of water communication free from the storms of the coast and abundantly capable for the transit of our gunboats and commercial marine in the contingency of foreign war without exposure to assailants on the Atlantic.

On the 30th he spoke at the Produce Exchange. His mode of reasoning was peculiar. He considered the staples of the two geographical divisions of the country and their relative importance. The South supplied no indispensable article, while the North furnished everything. "Gentlemen," said he, "there may be substitutes for clothing. There can be none for food. The table must be laid day by day. To surrender clothing is an inconvenience; to surrender food would be inevitable death."

Thus did General Walbridge give his heart and time to his country. He made journeys to the different States, spoke in the great cities, carried on an extensive correspondence with the Governors and leading men of the country. Nor did he relax his efforts till victory had perched finally upon the banners of the Republic.

His last speech during the war was at the city of Albany in January last. Invited by Hon. Samuel C. Reid, Chairman of the Committee on Federal Relations of the Assembly, he delivered an address before the committee and citizens of Albany upon the proposed amendment to the Constitution, abolishing slavery. Governor Fenton, his old associate in Congress, presided and introduced him. For more than an hour he retained the attention of the audience while showing the importance of the movement. "Though the rebellion is not yet terminated," said he, "enough has already happened to assure us that a single nation is to exercise jurisdiction over all the territory formerly embraced within the limits of the United States; and that here a homogeneous people, under republican institutions, recognizing universal freedom and individual political equality, will continue to furnish an asylum to the oppressed of the whole earth, and that here, under one nationality, the civilization of our race will secure its highest development."

Except his brief aldermanic career, and one term in Congress, General Walbridge has never held office. In 1862 he was an independent candidate for Congress against Benjamin Wood, the person nominated by Tammany Hall; and at one time Mr Lincoln contemplated inviting him to a seat in the Cabinet. But his services were employed instead in a private capacity, and it may well be supposed, when we consider his signal efficiency, whether he did not render the country more important service than could have been the case at the head of a department. As a commoner he could speak, as he did so often and eloquently, for the men of the nation; whereas, otherwise, as a minister, he must have been, to a great degree, the mouthpiece of others.

While paying attention to the career of General Walbridge as a patriotic citizen, we would not lose sight of him as a merchant. In 1859 the firm of Walbridge & Company, corn and commission dealers, opened at No. 29 Broadway. Its business speedily ramified through the entire West, assuming extensive dimensions. Some years since the establishment was

removed to the corner of Whitehall and Bridge streets, where it now remains.

General Walbridge has found time, amid his multifarious business, to take an active part in the question of internal improvements. In 1863 he visited Albany to impress upon the members of the Legislature the importance of enlarging the locks of the Erie Canal. He also addressed the Members of the Produce Exchange and other commercial associations on the subject; predicting that if New York did not make the necessary provisions, Canada would. The result was a great excitement on the subject; a Convention assembled at Chicago, June 2d, 1863, over which a Vice-President presided. General Walbridge being invited to speak made an address in favor of enlarging the canals between the Atlantic and Mississippi River. This would, he said, guarantee general prosperity and peace.

After the final adjournment the New York delegates visited St. Louis, where they were honored with a public reception. The speech of welcome was made by the Hon. Henry T. Blair, and the answer by General Walbridge, Mr. King, Hon. Samuel B. Ruggles, Hon. Chauncey M. Depew, and others. The excursion was continued into Minnesota, the party being feted all the way.

In May, 1865, the Board of Trade, in the city of Detroit, resolved to invite the commercial men of the principal cities and towns of the United States and the British American Provinces to hold a Convention in July, 1865. To this invitation there was a general response; the principal public journals also took the matter in hand and gave it a careful discussion. Gen. Walbridge, about the same time, made a tour of the West and was received more like a public personage than a private citizen engaged with his own affairs. He spoke at Buffalo, Chicago, St. Louis, and other places upon the topics of commerce, finance, and transit, commending their fullest consideration at the Detroit gathering. Remarkable as it may appear, his views were looked for as carefully as those of a public officer on the affairs of the nation; his sagacity as a merchant and ability as a statesman conduced to this distinction.

The International Commercial Convention assembled at Detroit on the 11th day of July, 1865. Above four hundred delegates were present, representing every shade of sentiment politically and commercially. General Walbridge was chosen to preside. His speech, on assuming the chair, took the broadest catholic ground.

I rejoice, said he, that now the rebellion is over the business men of the country have come forward to exercise their legitimate influence. It is their imperative duty to secure and extend, so far as they may, not only to our country, but to the whole world, the blessings of the power so obtained—so conquered. I am gratified that this convention has brought together, not only the representatives of commerce in the United States, but such influential delegates as I see before me from the British Provinces of North America; and I trust the event will bring them and us into still closer relations, and that the deliberations may eventuate in a re-union of the treaty which shall be just to them, and not inconsistent with the honor and interest of the United States. If from this commercial gathering there shall spring up a pure, friendly relation I shall rejoice at it, and, perhaps, suggest that our American system of government admits of indefinite extension; so that if, hereafter, they shall see fit, under the providence of God, to ask closer association, we cannot help but accept the

proposal with pleasure. It will help us discharge the obligations that we have incurred, and be a reciprocity to them in the truest sense of the term.

To the parliamentary experience of their president the Convention was indebted in a great measure for the prompt accomplishment of business. He was energetic and fair in his decisions, and always clear and ready to determine every proposition. The proceedings are already known to our readers, and there is no necessity for us to allude further to them. There was much that was wisely done, and much of which we cannot express so favorable an opinion. But time and events always correct such matters. At the conclusion, the usual complimentary resolutions were adopted, to which General Walbridge gracefully and eloquently responded:

"The city of New York," he said, in conclusion, "recognises no East, no West, no North, no South; she recognizes only one common country, and stretches out her hands to Buffalo, Detroit, Milwaukee, Chicago, St. Louis, and St. Paul, and while extending greetings to them, urges them to press on that great enterprise, the completion of the Pacific Railroad, which is destined by its iron bands to draw into fraternal relationship the great communities that line the shores of the Pacific as well as those which are on the eastern slope of the Alleghanies. * * * If the result of the deliberations of this Convention shall be the formation of a just and proper treaty with our neighbors of the North, while it shall be consistent with our interests, I trust that it will not be inconsistent with the interests of those with whom negotiations are made. Thus just and generous are the people of the United States."

Imperfect as this sketch necessarily is, enough has been given to show the genius of the man. He is, perhaps, one of the best instances of American versatility now living. He would have made a good lawyer, but could never consent to be a pettifogger; he would aspire to be a statesman, but would refuse to be a mere politician; he is a merchant, but would not readily consent to transact the petty details of an insignificant business. He loves to plan on a large scale, to do things boldly, and he would rage in inactivity. He is jealous of his honor, and despises meanness. Possessing a large social nature, liberal, ambitious of honorable distinction, he is an earnest friend, a genial companion, and a public-spirited citizen, and active in every enterprise which he undertakes. He is in the prime of life, and, if spared, will yet occupy a prominent place in our country, having already succeeded in indentifying himself closely with its history.

FINANCES OF THE CITY OF CINCINNATI.

The following (from the Report of the City Auditor) is a detailed exhibit of the funded debt of the city of Cincinnati as it existed on the 28th of February, 1865:

Description of Loans.	Amount outstand'g.	Interest—Rate.	Interest—Payable.	Principal payable.
Funding Loan (1845)*	$100,000	5	April & Oct. 1.	Oct. 1, 1871.
" (1835)	80,000	5	May & Nov. 1.	Nov. 1, 1885.
" (1842-43)*	20,000	5	"	May 1, 1865.
Little Miami R.R. Loan (1844)†	100,060	6	June & Dec. 31.	Dec. 31, 1885.
Whitewater Canal Subscription (1839 and '41)	320,000	6	May & Nov. 1.	May 1, 1865.
Whitewater Canal Loan (1847)	38,000	6	"	" 1897.
Funding Loan (1847)†	150,000	6	"	" 1897.
Hillsboro and Cinc. R.R. Loan (1850)	100,000	6	Feb. & Aug. 1.	Aug. 1, 1890.
Eaton and Ham. R.R. Loan (1850)	150.000	6	Jan. & July 1.	Jan. 1, 1891.
Covington and Lexington R.R. Loan (1851)	100,000	6	"	"
City Hall Loan (1850)	60,000	6	May & Nov. 1.	May 1, 1870.
Ohio and Miss. R.R. Loan (1853)	600.000	6	Jan. & July 1.	Jan. 1, 1892.
Funding Loan (1853)	83,000	6	"	" 1790.
Marietta and Cin. Loan (1854)	133,000	6	June & Dec. 1.	June 1, 1884.
Wharf Loan (1855)	216,000	6	May & Nov. 1.	Nov. 1, 1895.
" "	250,000	6	"	" 1890.
Orphan Asylum Loan (1858)*	45.000	6	March & Sep.17.	Mar'h 17, 1888
" " *	100,000	6	"	" 1908
Ents. Bury'g Ground Loan (1860)*	36,000	6	May & Nov. 1.	Nov. 4, 1890.
Water Bonds (Land and Building) of 1839†	278,000	6	June & Dec. 15.	June 15, 1865.
Water Bonds (Extension) of 1847	199,000	6	April & Oct. 15.	April 15, 1895.
" (Improv'nt) of 1848	100,000	6	"	"
" " of 1850	100.000	6	"	"
" (Extension) of 1851	100.000	6	"	Oct, 15, 1890.
" " of 1858	75,000	6	June & Dec. 15.	June 15, 1900.
School Bonds of 1834	40.000	5	May & Nov. 1.	Nov. 1, 1885.
" of 1843†	8,000	6	"	May 1, 1865.
" of 1837	25.000	6	"	" 1885.
" of 1859	99.000	6	Jan. & July 1.	Jan. 1, 1890.
Bounty Bonds	100 000	6	Jan. & July 27.	July 27, 1876.
"	100,000	6	"	" 1872.
Total	$3,840,000			

The denominations marked (*) are payable at the Treasury in Cincinnati, and thus (†) at the Bank of North America in Philadelphia. All others are payable at the Bank of America, in New York City.

Against the above debts the city owns property to the value of $6,935,184. The water works cost in bonds $875,000, and other city improvements $1,634,000. The several markets, landings, and the wharf property purchased of the Ohio and Mississippi Railroad Company are estimated at $2,000,000. The remainder is made up of the cost and value of school houses, engine houses, and other property belonging to the municipality.

The city also owns sundry amounts of railroad and canal stocks and bonds, with dues from companies for interest paid for them, and a multiplicity of claims against property and persons, in all amounting to $1,938,085 11. Most of the stocks and bonds held pay dividends and interest, which secures the city on its subscriptions and loans to them.

The sinking fund amounted on the 1st of March, 1864, to $465,370 89, and during the year ending Feb. 28, 1865, received 211,085 05—making its resources for the year $676,455 94. The payments for the year amounted to $135,000, leaving a balance March 1, 1865, of $541,455 94.

The interest fund on the 1st of March, 1864, was $39,854 75, and its receipts during the year were $221,389 59, viz., from taxes for 1863, $137,812 29; taxes for 1864, $67,000, and other sources $16,577 30—

making its total resources $261,244 34. From this amount there was paid for interest $223,856 34, leaving in hand $37,388.

The following table exhibits the valuation of property and the rate and amount of taxes for the past ten years:

Fiscal years.	Assessed Valuation—Real Estate.	Assessed Valuation—Pers'l Prop.	Assessed Valuation—Total.	Taxation—Rate.	Taxation—Amount.
1855	$60,315,932	$24,994,948	$85,330,880	1.48	$1,262,897
1856	60,701,267	20,795,203	81,496,460	1.25	1,116,927
1857	61,340,971	25,104,120	86,445,091	1.50	1,296,676
1858	62,681,603	26 051,151	88,732,753	1.66	1,472,963
1859	63,746,316	29,292,788	93,039,104	1.64	1,584,110
1860	61,428,917	30,532,458	91,961,375	1.745	1,666,231
1861	62,077,837	30,313.411	93,391,248	1.92	1,833,954
1862	63,503,296	29,707,861	93,211,157	1.766	1,709,894
1863	64,441,532	35,93 .561	100,374.093	1.82	1,878,847
1864	65,385,774	49,809,574	115,195,348	2.02	2,339,765

The population, the receipts and expenditures, and the amount of debt for the fiscal years ending Feb. 28, are shown in the following table:

Fiscal years.	Population of city.	Receipts—Taxes.	Receipts—Other.	Receipts—Total.	Municipal expenditures.	Amount of debt.
1856	210.000	$712,478	$166,853	$879,331	$584,202	$3,445,000
18 7	215,000	671,911	129,893	701,808	588,936	3,719,000
1858	225,000	865,405	181,719	1,047,124	575,291	3,719,000
1859	230.000	1,018.218	203,926	1,222,144	748,257	3,769.000
1860	250,000	998.621	168,266	1,166,887	754,560	3,752,000
1861	175,000	1,098,100	169,742	1,267,842	830,200	3,782,000
1862	180,000	1,130,045	140,492	1,270,537	779,338	3,820.000
1863	180.000	1,056,697	214,130	1,270,827	714,720	3,748,000
1864	180,000	991,776	218,975	1,210,751	824,775	3,754.000
1865	200,000	938,806	432,915	1,871,221	1,221,954	3,840,000

The following shows the receipts and expenditures in more detail for the year 1864–65:

	Balance Mar 1, 1864.	Receipts 1864-65.	Total resources.	Municipal expend'rs.
General fund	$51,164	$411,872	$463,036	$286.554
Watch fund	10,324	182,248	192.572	173.000
Interest fund	39,855	225.389	265,244	223,856
Superior Court fund	10,074	7,116	17,190	7.572
Fire Department fund	11,998	144.802	156,800	136,428
Light fund	2,107	86.858	88,965	83,821
Mc licken fund	11,919	19,903	31,822	27,412
Fuel fund	.....	51.500	51,500	50,900
Revenue fund	.....	3,213	3,213	865
Workhouse fund	824	.....	824	.....
Hospital fund	94	.....	94	94
Pest-house fund	251	.....	251	251
Sinking fund	465,371	211,085	676,456	65.000
Bounty fund	.....	223,313	225,313	181,100
Total		$1,578,368	$2,171,281	$1,337.454
Transfers		207.147	207,147	*115,500
Net resources		$1.371.221	$1,964,134	$1,221,954

* Loan account $90,000, and fuel loan account $25,500.

SCHOOL FUNDS.

The school funds are not included in the above statements. The following shows the receipts and expenditures on account of schools for the year ending Feb. 28, 1865:

	Common.	Colored.	Total.
Balance March 1, 1864	$50,808 43	$2 679 62	$52,883 04
Taxes for 1863	109,390 06	10,297 61	119,687 67
Taxes for 1864, on account	80,000 00	.....	80,000 00
All other resources	11,068 15	.....	11,068 15
Total resources	$331,661 63	$12,977 23	$344,638 86
Warrants redeemed	265,285 04	9,885 03	275,170 07
Balance Feb. 28, 1865	$66,376 59	$3,092 20	$69,468 79

The tax levy, State and County, for these schools was 1.7 mills on the

dollar, and the tax amounted to $339,267 50, of which $322,419 07 was for the common schools, and $16,848 41 for the colored schools. Up to Feb. 28, 1865, only $80,000 had been received into the treasury, leaving $259,267 50 due. The school year, however, terminates on the 30th of June.

The receipts and expenses on school account for the ten years last past were as follows:

	Receipts.	Expenses.		Receipts.	Expenses.
1856	$274,703 48	$218,438 20	1861	$278,632 83	$241,418 26
1857	266,979 66	214,545 14	1862	267,340 11	234,727 33
1858	239,572 58	188,474 27	1863	238,406 77	189,990 49
1859	220,227 18	267,033 00	1864	328,255 63	208,051 37
1860	282,134 37	191,713 95	1865	344,636 86	273,865 65

WATER WORKS.

The city water works are administered by a special board. Their cost to the city, as before stated, was $875,000 in bonds. They furnished on the average, in 1864–65, 5,185,903 gallons of water per diem. The income from water rents, etc., was $184,051, and the expenditures $78,036, leaving a balance of $106,015, which pays the interest on the water debt, and leaves something towards the final extinction of the water bonds. For each 1,000 gallons the revenue is 9 5-8 cents, and the cost to the city 4 1-8 cents, leaving a profit of 5 1-2 cents. The pumping is done by steam power.

Compared with the water works of other cities the results are as follows:

Cities.	Consumption per diem, gallons.	Annual revenue.	Annual expenses.	Length of mains, miles.	Power used.
Albany	6,000,000	$91,532	$24,481	..	Gravity.
Baltimore	8,000,000	201,829	26,810	..	do
Boston	16,238,500	394,506	82,932	136	do
Buffalo	3,781,186	79,950	37,181	..	Steam.
Brooklyn	6,778,825	362,749	72,201	171	do
Chicago	6,074,739	224,902	86,698	132	do
Cincinnati	5,185,903	184,051	78,036	94	do
Cleveland	1,152,851	33,057	15,794	..	do
Detroit	3,120,725	69,389	16,974	..	do
Hartford	1,543,723	37,410	33,772	..	do
Jersey City	2,552,586	99,923	49,158	..	do
Louisville	1,250,000	32,413	16,500	..	do
New York	52,000,000	938,862	.....	295	Gravity.
Philadelphia	20,72-,985	551,000	79,154	364	W. & S.
Pittsburg	5,859,660	74,6-6	32,213	..	do
Troy	.....	20,782	10,539		Gravity.
St, Louis	7,000,000	170,313	48,590	..	Steam.

ANALYSES OF RAILROAD REPORTS. NO. 4.

8.—CINCINNATI, HAMILTON, AND DAYTON RAILROAD.

The Cincinnati, Hamilton and Dayton Railroad extends in a very direct line from Cincinnati on the Ohio River, via Hamilton to Dayton—with a double track throughout—a distance of about 60 miles. The company has also constructed a separate track for the use of the Atlantic and Great Western Railway Company, at a cost of a million dollars. Though a short road it is among the most important in the American system, being one of the main avenues into Cincinnati from the North, receiving at its northern terminus, and also at Hamilton, several important lines which it continues into the city.

This road occupies a very favorable position, passing as it does through

a country thickly populated, with cities of great importance at its termini and also on its line. Out of the fourteen years of its existence there have been only two years in which no dividend was distributed, and in those the necessary amount was earned, but withheld to pay off debts then due. In all, twenty dividends have been paid, amounting to 88 per cent on the shares in existence at the time of payment, and also a stock dividend of twenty per cent. This success is not due alone to its position, but much, of course, is the result of good management.

The reports of the company are less explicit than they ought to be in relation to the business of the road. The number of passengers, however, has been given yearly, also some account of the number of engines, and the mileage made by them. The number of passengers carried on the road, and the earnings therefrom, for the past 13 years have been as follows:

Years.	Number.	Earnings.	Years.	Number.	Earnings.
1852–53	236,825	$191,700 98	1859–60	357,700	$286 468 43
1853–54	342,954	274,650 89	1860–61	479,987	275,463 70
1854–55	370,189	259,915 85	1861–62	358,992	272,117 30
1855–56	352,457	296 668 12	1862–63	441,250	348,893 39
1856–57	362 630	231,571 54	1863–64	527,451	457,162 85
1857–58	470,931	248,438 48	and—		
1858–59	339 272	223,505 29	1864–65	542,539	614 944 58

The reports are too irregular in their freight returns to make them of any statistical value. The average tonnage for the last ten years has been about 250,000 tons, ranging from 225,000 to 275,000 tons per annum. The earnings from freight for each year since the completion of the road are given in a subsequent table.

The *financial condition* of the company, as exhibited on the balance-sheet at the close of each fiscal year, is shown in the following statement:

Fiscal years.	Share capital.	Bonded debt.	Other debt & liabil's.	Surplus, reserve, &c.	Total Amounts.
1851–52	$1,463,325	$583,000	$78,649	$33,736	$2,158,710
1852–53	1,694,000	906,000	347,219	42,472	2 989,691
1853–54	2,100,000	862,000	415,949	156,355	3,564,304
1854–55	2,100,000	965,000	624,834	171,275	3,861,129
1855–56	2,153,900	1,011,000	481,041	130,370	3,776,311
1856–57	2,153,800	1,431,000	235,662	196,651	4,021,113
1857–58	2,155,800	1,427,000	157,766	232,140	3,971,706
1858–59	2,155,800	1,411,000	88,910	.....	3,640,710
1859–60	2,155,800	1,331,000	123,894	87,805	3,758,499
1860–61	2,155,800	1,356,000	85,088	111,494	3,708,382
1861–62	2,155 800	1,344.000	137,593	181,389	3,818,784
1862–63	2,155,800	1,334,000	254,668	243,724	3,987,192
1863–64	2,399,300	1,690,000	482,248	334,517	4,906,265
1864–65	3,000,000	1,628 000	475,663	498,133	5,601,796

Against the above are charged the following:

Fiscal years.	Property and Assets— Road.	Equipments.	Real estate.	Stocks, etc.	Steamboats.	Other.	Cash.
1851–52	$.....*	$....*	$....*	$....*	$....*	$....*	$33,736
1852–53	1,975,178	310,147	222,696	83,330	32,427	323,451	42,472
1853–54	2,263,287	444,127	254,564	254,884	.....	216,713	130,789
1854–55	2,414,489	577,633	218,496	363,987	100,000	122,787	123,737
1855–56	2,470,125	577,633	223,434	332,500	52,070	103,147	72,402
1856–57	2,634,443	505,873	244,199	304,000	81,218	97,121	164,250
1857–58	2,648,296	506,292	263,451	302,076	81,218	143,765	26,608
1858–59	2,648,296	504,893	366,199	28,747	.....	128,094	79,542
1859–60	2,648,296	504,892	266,357	41 547	.....	133,171	164,218
1860–61	2,648,296	504,893	266,189	68,747	.....	100,871	119,897
1861–62	2,648,296	504,892	270,431	79,947	.....	155,221	149,996
1862–63	2,648,296	481,083	285,581	91,947	.....	149,633	311,582
1863–64	3,364,949	499,086	303,860	138,147	.....	436,880	253,343
1864–65	3,897,229	593,209	344,551	176,090	.....	500,682	90,035

* Total property and assets, $2,124,974.

The road account for 1863–64 included $657,762, and for 1864–65,

$1,010,989—the cost of the six-foot track for the accommodation of the Atlantic and Great Western Railway Company.

The following table shows the *earnings* and *expenses* of the road from its completion and opening, on the 30th September, 1851, to the close of the fiscal year 1864–65:

Fiscal years	Gross Earnings: Passengers.	Freight.	Mails, etc.	Total.	Operating expenses.	Net earnings.
1851-52	$74,427	$21,511	$1,946	$97,214	$35,182	$62,032
1852-53	191,701	122,377	7,715	321,793	120,837	200,956
1853-54	274,650	176,141	12,229	463,021	187,207	275,814
1854-55	259,915	211,563	12,142	483,620	210,914	272,706
1855-56	236,568	221,698	13,620	471,886	193,873	278,013
1856-57	231,571	268,819	17,948	518,338	220,716	297,617
1857-58	243,438	225,114	18,869	487,421	226,658	260,763
1858-59	223,506	245,980	20,051	489,488	239,771	249,667
1859-60	236,463	297,888	27,330	561,681	289,566	272,115
1860-61	283,247	33 ,560	30,422	644,229	351,530	292,699
1861-62	272,117	298,240	75,798	646,205	316,491	329,714
1862-63	348,893	446,633	81,878	877,404	390,937	486,467
1863-64	457,163	526,758	99,407	1,083,328	554,507	528,821
1864-65	546,810	614,945	80,102	1,241,857	738,629	503,228

The *profit and loss* account for the same years is shown in the following table:

Fiscal years.	Earnings less expenses.	Disbursements: Taxes & insurance.	Int. on debt.	Dividends on stock.	Total amount.	Surplus after divide'ds
1851-52	$62,032	$.....	$28,296	$.....	$28,296	$33,736
1852-53	200,956	9,234	56,992	126,466	192,692	8,264
1853-54	276,814	14,469	46,207	207,350	268,026	7,788
1854-55	272,706	14.102	92,108	101,560	217,770	54,936
1855-56	278.013	13,717	108,217	101,560	223,494	54,519
1856-57	297.617	11,816	110,316	75,458	197,685	99,932
1857-58	260,763	13,102	104,322	.....	117,424	143,339
1858-59	249,667	5,815	99,627	.....	144,942	144,725
1859-60	272.115	10,958	97.900	150,906	259,764	12,351
1860-61	282,699	11,519	96,585	150,906	259,010	23,689
1861-62	329,714	13,706	95,031	161,685	270,598	59,116
1862-63	486,467	22,042	93,602	222,247	337,891	148,566
1863-64	528,821	33,130	93,380	239,964	366,474	162,347
1864-65	503,228	62,430	114,170	257,895	433,737	19,491

In the total of disbursements are included sundries not otherwise accounted for. In 1864-65 the large sum of $51,242 is thus disposed of, the same being chiefly payments on account of damages from a collision.

The dividend paid in May, 1865, was the 20th since the road commenced operations. The rate per annum has been as follows:

Years.	P. c.	Years.	P. c.	Years.	P. c.
1851-52.....No. 1.....	4	1856-57..No. 7 & 8.....	7½	1861-62No. 13 & 14	7½
1852-53..... " 2.....	5	1857-58	nil	1862-63 " 15 & 16	10
1853-54..No. 3 & 4.....	10	1858-59	nil	1863-64 " 17 & 18	10
1854-55.....No. 5.....	5	1859 60.No. 9 & 10.....	7	and—	
855-56 .... " 6.....	5	1860-61. " 11 & 12.....	7	1864-65 " 19 & 20	10

And in 1864–65, there was also paid a stock dividend of 20 per cent in compensation for earnings loaned to the Dayton and Michigan Railroad Company.

The cost of the road and equipment *per mile* and the earnings, expenses and profits *per mile* as deduced from the foregoing are shown in the annexed table:

Fiscal Years.	Cost of Road.	Gross earn'gs.	Opera'g exp'ses.	Profits f'm earn'gs.	Exp'ses to earn'gs.
1851-52	$35,720	$1,620	$586	$1,034	36.17 per cent.
1852-53	41,809	5,363	2,014	3,349	37.55 "
1853-54	39.306	7,717	3,120	4,597	40.43 "
1854-55	52.510	8,060	3,515	4,545	43.61 "
1855-56	53,603	7,864	3,231	4,633	47.44 "
1856-57	56,242	8,639	3,678	4,961	42. 6 "
1857-58	56 960	8,124	3,777	4,347	46.48 "
1858-59	56,989	8,157	3,996	4,161	42.97 "

1859-60	56,992	9,361	4,826	4,535	57.55	per cent.
1860-61	56,969	10,737	5,859	4,878	45.57	"
1861-62	57,060	10,770	5,275	5,495	48.99	"
1862-63	63,582	14,623	6,515	8,108	44.55	"
1863-64	69,465	18,055	9,242	8,813	51.18	"
1864-65	78,749	20,697	12,310	8,387	59.47	"

The Cincinnati, Hamilton & Dayton Railroad shares are so seldom quoted or sold at the New York stock boards that we are unable to compile a table similar to those which have accompanied the reports of the roads we have previously analyzed. The stock of this company, however, is not with ordinary good management likely to fluctuate greatly as its actual value is well known.

The Cincinnati, Hamilton and Dayton Railroad Company was chartered by the Legislature of Ohio by an act passed March 2, 1846. The division south of Hamilton was put under contract in December, 1849, and the northern division in July, 1850. Construction of the southern division was commenced in March, 1850, but owing to the prevalence of cholera in the Little Miami Valley the work was suspended and not resumed until the following September.

The work was now prosecuted with redoubled vigor and every day resulted in progress; and so rapidly was the grading done and the track layers followed that by September 18, 1851, one year after resuming operations, the road was so far completed as to admit of a passenger train passing from Cincinnati to Dayton, and on the 30th of the same month the road was formally opened for travel. Before the close of the year regular freighting was also commenced.

The company have always had operating contracts with all the roads connecting with their own. A closer alliance, however, was found necessary to work the lines economically, and with this view a contract was concluded in 1860 between the Cincinnati, Hamilton and Dayton Company and the Little Miami, the Columbus and Xenia and the Dayton, Xenia and Belpre Companies for working their several roads on joint account for a period of twenty years. This contract became operative on the first of April of the same year, and has been an eminent success.

In 1863 the company assumed a lease in perpetuity of the Dayton and Michigan Railroad and equipment at an annual rental equal to the interest on a fraction less than $22,000 per mile. The connection of the roads at Dayton is such as renders the leased road fairly a continuation of the road from Cincinnati. It extends from the fertile valley of the Big Miami, over one hundred and forty miles to Maumee Bay, on Lake Erie, making with the Cincinnati, Hamilton and Dayton Railroad a line of two hundred miles between Cincinnati and Toledo, a shorter route than any other existing between Cincinnati and the lake.

Presenting the best approach to Cincinnati from the north, the Cincinnati, Hamilton and Dayton road was adopted by the Atlantic and Great Western Company to continue their line from Dayton to Cincinnati where it connnects with the Ohio and Mississippi Railroad. For this purpose this company laid down extra rails for a broad guage road, and provided enlarged accommodations for the convenience of the Great Western Company's business. These improvements were completed at a cost of a million and a half of dollars, and brought into use in May, 1865. To meet expenditures of so large an amount the company sold

$300,000 of its capital. The remainder of the means was chiefly derived from the sale of bonds received from the Dayton and Michigan Company in payment of coupons due the Cincinnati, Hamilton and Dayton Company under the lease of the road. In lieu of the proceeds of these the stock holders received a stock dividend of $500,000. These improvements on the whole have added to the capital and debt account $1,444,000, and about a quarter of a million has been taken from other resources of the company. This investment, however, is expected to so increase the business of the company as make sure of its securing an advantageous return to the company.

The total liabilities of the company, including its stock of $300,000 and revenue balance applied on account of the Dayton and Michigan Company $500,000, is now about $5,600,000. The nett earnings of the road for the last few years have averaged $200,000. This will pay.

Taxes and Insurance say	$60,000
Interest on Debt and Liabilities, $2,000,000	140,000
Dividend 10 per cent. on $3,000,000 stock	300,000

and leave a surplus of $20,000 to be added to the dividend fund.

It may fairly, however, be assumed that the Dayton and Michigan Railroad and the Atlantic and Great Western connection will increase the profits from operations materially and fortify the company for future development, or, if already at the end of its projects, yield additional dividends to the lucky holders of its stocks. The eventual reduction of the cost of labor and material will also afford the company a heavier nett on its business.

9.—NEW YORK CENTRAL RAILROAD.

The length of the main line of road between Albany and Buffalo is		297.75	miles.
The length of lateral and branch roads is as follows:			
Troy to Schenectady	21.00		
Syracuse to Rochester, via Auburn	104.00		
Batavia to Attica	11.00		
Rochester to Suspension Bridge	74.75		
Lockport Junction to Tonawanda	12.25		
Rochester Junction to Charlotte	6.88		
Buffalo to Lewiston	28.25		
		258.13	"
Total length owned by company		555.88	"
Second track (exclusive of sidings and turnouts less than one mile in length).		268.71	"
Sidings, turnouts and switches		152.27	"
Total length of equivalent single track		976.86	"
The length of the Niagara Bridge and Canandaigua Railroad, leased by the company, and extending from Canandaigua to Suspension Bridge, is	98.46		
Branch to Elevator at Tonawanda	1.63		
Siding, turnouts and switches	3.42		
		103.51	"
Total length owned and leased by company		1,080.37	"

The following table gives the length of the line owned and leased at the close of each year since the consolidation of May, 1853:

Fiscal years.	Length of Routes—Main line. (miles)	Laterals and branches. (miles)	Leased line. (miles)	Total length. (miles)	D'ble track, sidings and switches. (miles)	Equivalent to single track. (miles)
1853 (5 months)	297.75	265.00	. ..	562.75	240.50	803.25
1853-54	297.75	265.00	....	562.75	276.75	839.50
1854-55	297.75	258.13	....	555.88	306.20	862.08
1855-56	297.75	258.13	....	555.88	311.80	867.68
1856-57	297.75	258.13	....	555.88	325.47	881.35
1857-58	297.75	258.13	....	558.88	335.21	891.09
1858-59	297.75	258.13	98.46	654.34	349.46	1,003.80
1859-60	297.75	258.13	98.46	654.34	369.47	1,023.81
1860-61	297.75	258.13	98.46	654.34	374.83	1,029.17
1861-62	297.75	258.13	98.46	654.34	384.14	1,038.48
1862-63	297.75	258.13	98.46	654.34	403.06	1,057.40
1863-64	297.75	258.13	98.46	654.34	413.34	1,067.68
1864-6	297.75	258.13	98.46	654.34	426.03	1,080.37

The main line is wholly double track, except a gap from Port Byron to Clyde, 13.09 miles, and another from Rochester to Churchville, 14.51 miles.

The *rolling stock* on the road and branches, on the 30th of September, 1865, was as follows:

Locomotive engines		258
First class passenger cars	206	
Second class and emigrant cars	78	
Baggage, mail and express cars	82	
		366
Freight cars—wooden box	2,987	
" iron box	717	
" platform	1,200	
		4,904
Gravel cars and other service cars		350

The following table shows the equipment at the close of each fiscal year:

Fiscal years	Passenger Train Cars—Locomotives.	1st class.	2d class.	B. M. & E.	Total.	Freight Train Cars—Wood.	Iron.	Platform.	Total.	Service cars.
1853 (5 mos.)	147	156	55	55	266	....	.	....	1,084	285
1853-54	175	187	55	65	307	....	..	....	1,702	285
1854-55	188	187	76	62	325	1,354	..	429	1,783	285
1855-56	209	182	79	66	327	....	..	....	2,336	285
1856-57	218	196	74	64	334	....	..	....	2,707	285
1857-58	218	192	66	64	322	....	..	....	2,805	350
1858-59	211	196	41	61	298	....	..	....	2,760	350
1859-60	216	196	39	61	296	....	..	....	2,644	350
1860-61	215	196	40	61	297	....	..	....	2,759	350
1861-62	229	196	35	68	294	2,404	121	717	3,242	350
1862-63	239	197	58	68	323	2,693	510	803	4,006	350
1863-64	241	188	68	78	334	2,782	719	1,095	4,596	350
1864-65	258	206	78	82	366	2,987	717	1,200	4,904	350

The *general movement of trains with passengers and freight*, in each year since the consolidation, has been as follows:

Fiscal years.	Miles run by Trains—Passenger.	Freight.	Other.	Total.	Carried one Mile—Passengers.	Tons of freight.
1853-54	2,117,058	1,200,240	.....	3,317,278	163,874,973	81,168,080
1854-55	1,941,521	1,410,371	312,682	3,664,574	169,052,341	99,695,826
1855-56	1,774,093	1,522,439	303,357	3,599,889	165,889,551	145,733,678
1856-57	1,836,212	1,811,109	336,969	3,984,290	160,423,541	148,873,776
1857-58	1,821,431	1,847,763	273,353	3,942,547	136,091,023	142,691,178
1858-59	1,809,071	1,824,978	311,079	3,945,128	132,993,340	157,136,000
1859-60	1,816,279	2,344,881	332,053	4,493,213	126,588,091	199,231,392
1860-61	1,850,056	2,727,730	369,367	4,947,153	116,174,787	237,392,974
1861-62	1 753,215	3,233,565	381,892	5,368,672	119,028,024	296,963,402
1862-63	1,902,908	3,347,244	442,071	5,692,223	147,237,968	312,195,756
1863-64	2,123,590	3,452,275	414,353	5,990,208	193,447,725	314,081,410
1864-65	2,276,888	3,094,565	422,595	5,894,048	225,229,271	264,993,626

The *direction and amount of travel* (passengers carried) in each year, have been as follows:

Fiscal Years.	Eastward Thro'	Eastward Way.	Westward Thro'	Westward Way.	Both ways Thro'	Both ways Way.	Total.
1853–54	....	.....	.....	.....	.....	.....	2,556,874
1854–55	.....	.....	.....	.....	201,534	2,515,943	2,717,477
1855–56	71,762	1,231,012	118,673	1,308,166	190,435	2,539,178	2,729,613
1856–57	81,306	1,187,129	121,858	1 219,654	208,164	2,406,788	2,609,947
1857–58	81,017	966 971	82,580	993,991	163,547	1,960,892	2,124,439
1858–59	79,883	1.119,886	74,410	988.018	154,243	2,102,404	2,256,647
1859–60	70,481	1,104,523	71,587	1,014,545	142 068	2,119,068	2,261,136
1860–61	54 890	1,054.170	63,528	981,856	117,918	2,036,026	2,153,944
1861–62	54 857	1,122,538	65,181	1,034.451	119,988	2,156,989	2,276,977
1862–63	68,713	1,383,041	79,167	1,248,033	147,880	2,576,074	2,723,954
1863–64	96,245	1,780,312	105,115	1.622,542	201,360	2,402,894	3,554,254
1864–65	108,455	1,657,553	127,349	1,657,906	235,754	3,547,509	3,783,263

Included in the above are emigrants going West, as follows:

Years.	Thro'	Way.	Total.	Years.	Thro'	Way.	Total'
1855–56	32 357	17,073	52,263	1860–61	10,837	7,288	18,125
1856–57	34,869	10,445	44 814	1861–62	12,901	5,240	18,141
1857–58	15,271	4.064	19.335	1862–63	13.413	6.217	19,629
1858–59	11,237	4,410	15.647	1863–64	15,481	7,530	23,011
1859–60	11,313	9,595	20,908	1864–65	14,677	4,462	19,139

The *direction and amount of traffic* (tons of freight carried) in each year, is shown in the following statement·

Fiscal Years.	Eastward Thro'	Eastward Way.	Westward Thro'	Westward Way.	Both ways Thro'	Both ways Way.	Total
1853–54	.... ..	.. ....	.... ..	....	.....	.....	549,805
1854–55	.....	.....	.....	.....	156.194	513,879	670,073
1855–56	172,781	385,478	80,507	187,846	253,288	522,824	776,112
1856–57	179,647	401,660	113,230	144,254	292,877	545,914	838,791
1857–58	229,275	347,775	83,133	103,224	312,408	452,999	765,407
1858–59	234,241	336,686	113,838	149,554	348,079	486,240	834,319
1859–60	293,559	436,729	118,997	178,928	412,526	615,657	1,028,183
1860–61	439,956	445,072	115,941	170,383	551,897	615,405	1,167,302
1861–62	616,177	447,951	161,013	162,292	777,190	610,243	1,387,433
1862–63	610,933	433,326	213,794	191,551	824,727	624,877	1,449,604
1863–64	588,207	555,955	178,362	234,624	766,569	790,579	1,557,148
1864–65	455,984	436,553	184,591	198,171	640,575	634,724	1,275,299

The following table classifies the tonnage for each of theabove years:

Fiscal Years.	Products Forest.	Animals.	Veg. Food.	Agri'l.	Manufact's.	Merchandize.	Other Articles.
1853–54	45,530	115,417	166,204	10,935	52,244	94,643	74,833
1854–55	37,971	131,224	244,605	9,792	60,140	105,312	81,029
1855–56	29,547	161,807	283,027	20,168	72,732	127,231	81,700
1856–57	31,468	180,852	275,941	18,969	75,731	177,708	78,102
1857–58	24,368	172,076	301,507	18,373	47,939	154,482	66,663
1858–59	35,154	201,167	249,751	30,096	57,036	178,782	79,333
1859–60	42,305	223,863	343,872	39,169	77,256	201,587	100,689
1860–61	39,310	251,164	441,562	47,341	80,297	192,583	113,945
1861–62	39,479	350,020	469,885	45,245	92,123	243,105	138,576
1862–63	58,829	395,876	405,880	72,467	88,965	310,275	123,813
1863–64	87,584	383,000	461,511	57,150	112.267	287,804	167,893
1864–65	55,718	348,661	349,103	32,099	71,484	258,043	160,191

The *freight per ton per mile* in each year was as follows:

	Cts.		Cts.		Cts.
1853–54	3.05	1857–58	2.59	1861–62	2.23
1854–55	3.02	1858–59	2.13	1862–63	2.38
1855–56	2.95	1859–60	2.05	1863–64	2.70
1856–57	3.12	1860–61	1.96	1864–65	3.26

The *income account* of the two last years, 1863–4, and 1864–5 compare as follows:

	1863–64.	1864–65.		Difference
By balance from last year	$3,76 .243 35	$3.8 4,867 69	incr	$89 6 4 33
" Passenger receipts	3.923 151 80	4.5?1.4 4 10	"	598 802 30
" Freight "	8,143,870 55	8,776.0 7 53	"	231.6.6 98
" Mail "	97,790 00	97 790 00		.....
" Miscellane's "	435,477 48	589,25. 76	"	146.674 28
Total	$16,763.133 18	$17,830,392 07	incr	$1,067,258 89
To maintaining and operating	9.346,184 86	10.882 3?8 09	incr	1,536,173 73
" Coupons and interest	1,026,765 88	974,169 26	decr	52,596 12

To Dividend, Feb	1,219,456 00	731,730 00	"	486,720 00
" " August	975 400 00	737,730 00	"	237.670 00
" U. S. tax on dividend	85,323 59	73,473 00	"	11,850 50
" Future increase—contribution to debt, certificate sinking fund	111,182 38	111,18 38		.....
" Rent of N. B. & Canada Railroad	60,000 02	60 000 00		.....
" U. S. tax on earnings. ..	84.959 88	338 451 85	iner	253,491 97
" Balance Sept. 30	3 854.867 68	3,921,297 49	"	66,429 81
Total disbursements	$16,763,133 18	$17,830,392 07	iner	$1,067,258 89

The following table exhibits the yearly gross earnings, the operating expenses, and net earnings for the twelve years and five months ending September 30, 1865:

Fiscal Years.	Gross Earnings—Passengers.	Freights.	Mail, &c.	Total.	Operating Expenses.	Nett Earnings.
1853 (5 mos)	$1.475,470	$417,113	$94,096	$1,986,679	$1.164.646	$822,033
1853-1854	3,151.514	2.479,821	287,000	5.918.335	3,088,041	2,830 294
1854-1855	3,242.229	3,189,603	131,749	6.563,581	3.401,456	3,162.125
1855-1856	3,207,378	4,328,042	171,928	7,707,348	4.097,867	3,6 9.481
1856-1857	3,147,687	4,559,276	320,338	8.027,251	4,453,515	3,573.736
1857-1858	2,532,647	3,700.270	295,496	6,528,413	3,487,293	3,041,121
1858-1859	2,566,370	3,387,148	297,331	6,200,849	3,349,429	2,851,420
1859-1860	2,569,965	4,095,934	292,042	6,957,941	4,278 841	2,678,400
1860-1861	2,315,933	4,064,449	328,660	7,909.042	4,647,979	3,662,063
1861-1862	2 389,734	6,607,331	359,773	9,356,822	5.607,750	3,749,078
1862-1863	2,930,341	7,408,509	468,781	10,807.631	6,842,633	4,054,998
1863-1864	2,9 3,152	8,543,371	531,367	12,997.890	9,346,184	3,651,706
1864-1865	4,521,454	8,776,027	678,043	13,975,594	10,882,358	3,093,166

From the nett earnings the following sums (not including construction) were paid and disbursed in the several years:

Years.	Interest.	Sinking Funds.	Leased Railroad.	U. S. Tax.	Dividends.	Surplus.
1853 (5 mos)	$329,726	$46.827	.....	.....	$2,117,954	395,625
1853-54	656,513	111,182	.....	.....		
1854-55	839,928	111,182	.....	.....	1,913,483	702,468
1855-56	931,577	111,182	.....	.....	1,919,564	647,158
1856-57	970,871	113.294	.....	....	1,919,564	569,807
1857-58	976,192	113.294	.....	.....	1,919.564	32.071
1858-59	970,059	116,754	60,000	.....	1,679.782	24.825
1859-60	995,273	115,266	60,000	.....	1,440,000	77 862
1860-61	1.001,977	114,965	60,0 0	.....	1,440,000	55,881
1861-62	1,021,193	113,968	60,000	.....	1,440,000	113.917
1862-63	998,140	112,060	60,000	.....	*1,730,400	1,154.398
1863-64	1,026,765	111,182	60 000	84,960	*2,279.173	89,626
1864-65	974,169	111,182	60,000	338,452	*1,542,933	66,430

The following are the details of the dividends declared and paid since the consolidation:

No. 1.—1854	February 5	$1,158,212	No. 13.—1860	February 3	$720,000
" 2.— "	August 4	956,283	" 14.— "	August 3	720,000
" 3.—1855	February 4	957,499	" 15.—1861	February 3	720,000
" 4.— "	August 4	959,742	" 16.— "	August 3	720,000
" 5.—1856	February 4	959,782	" 17.—1862	February 3	720,000
" 6.— "	August 4	959,782	" 18.— "	August 3	720,000
" 7.—1857	February 4	959,782	" 19.—1863	February 3½	840,000
" 8.— "	August 4	959,782	" 20.— "	August 3½	840,000
" 9.—1858	February 4	959,782	" 21.—1864	February 5	1,218,450
" 10.— "	August 4	959,782	" 22.— "	August 4	975,400
" 11.—1859	February 4	959,782	" 23.—1865	February 3	731,730
" 12.— "	August 3	720,000	" 24.— "	August 3	737,730

The *Balance Sheet* from the General Ledger for the two years, 1863-64 and 1864-65, compares as follows;

	1863-64.	1864-65.	Difference.
Capital Stock	$24,336,000 00	$24,591,000 00	incr. $205,000 00
Funded Debt, viz.:			
Debt Certificates	6,917.597 83	6,690,119 62	decr. 227,478 21
Bonds for Railroad Stocks	663,000 00	634.0 0 00	" 29,000 00
" for Real Estate	165.000 00	165.000 00	" .. ....
" for funding debts of old Companies	1,398,000 00	1,398,000 00	.....
Funded Debt of Schenectady and Troy R. R.			

* Including U. S. Tax on Dividends.

Company	100,000 00	.....	decr.	100,000 00
Funded Debt of Albany & Schenectady R. Co	100,000 00	100,000 00	"	.....
Funded Debt of Buffalo & Rochester R. R. Co	24,920 59	.....	"	24,920 59
Bonds to Buffalo and N. Falls R. R. Co	78,000 00	78,000 00		.....
Bonds, convertible, due 1876	604,000 00	2,399,000 00	incr.	1,795,000 00
Bonds and mortgages	235,823 65	238,323 15	"	2,500 00
Bonds (renewal) due 1887	2,925,000 00	2,925,000 00		.....
Bills Payable	52,568 26	38,000 00	decr.	14,568 26
Unclaimed Dividends	5,144 76	5 631 90	incr.	491 14
Expenses of operating: paid in October	380,824 14	451,753 20	"	70,929 06
Coupons and interest: accrued to September 30	349,041 00	360,492 24	"	11,450 74
United States: Tax account	36,215 45	79,879 80	"	43 664 35
Income account: Bala'ce Sept. 30	3,854,867 68	3,921,297 49	"	66,429 81
Total Debit	$42,275,999 86	$44,075,497 40	"	$1,799,498 04
Railroad and equipment	$32,879,251 38	$33,701,919 57	incr.	$822,668 18
Cash in Banks	135,131 38	162,770 64	"	27,6 9 26
Balances in hands of agents	848,134 43	783,892 29	decr.	64,242 14
Stocks and Bonds, viz.:				
Buffalo and State Line R. R. Stock	542,300 00	542,300 00		.....
Troy Union R R. stock	62, 50 00	68,950 00	incr.	6,900 00
Hudson River Bridge Stock and Bonds	108,495 00	4 8,000 00	"	329,505 00
Lake Propeller Stock	.....	149,041 54	"	149,041 54
Erie and Pittsburg R.R. bonds	.....	81,500 00	"	81,500 00
Future Income: proportion of debt certificates, etc: Chargeable to income	6,995,597 83	6,768,119 62	decr.	227,478 21
Fuel and Supplies: surplus beyond	1,491,756 04	1,173,633 18	incr.	681,877 14
Bills receivable	150,046 91	132,210 57	decr.	17,846 34
General Post Office Department	23,928 89	23,947 50	incr.	28 61
Real Estate (Buffalo & N. Falls R. R. Co.)	32,500 00	32,500 00		.....
Real Estate (Oliver Lee & Co's bank)	6,712 50	6,712 50		.....
Total Credit	$42,275,999 86	$44,075,497 40	incr.	$1,799,498 00

The following statements exhibit the details of the general account as it stood on 30th September, 1856–65, both years included:

Fiscal years.	Share capital.	Funded debt.	Bills payable.	Operating acc'ts.	Balance of income	Total amount.
1855–56	$24,136,661	$14,763,897	$194,732	$642,771	$1,891,036	$41,033,827
1856–57	24,136,661	14,607,510	197,633	698,877	1,826,572	41,461,654
1857–58	24,182,400	14,402,635	88,000	416,274	1,594,326	40,633,635
1858–59	24,000,000	14,333,771	.....	413,083	1,619,750	40,366,605
1859–60	24,000,000	14,332,523	127,375	481,537	1,697,012	40,638,447
1860–61	24,000,000	14,613,005	209,356	646,519	1,576,978	41,045,289
1861–62	24,000,000	14,2 9,593	33,890	863,057	2,690,295	41,806,835
1862–63	24,209,000	13,779,648	284,411	821,578	3,765,243	42,859,880
1863–64	24,386 000	13,211,341	52,568	771,222	3,854,868	42,275,999
1864–65	24,591,000	14,627,443	38,000	897,757	3,921,297	44,075,497

Against which are charged for construction, equipments, stocks owned by company, claims (debt certificates) on future income, supplies beyond $1,000,000, and other assets the following:

Fiscal years.	Railroad & equipment.	Stocks. & bonds.	Debt certific's.	Fuel & supplies.	Banks. & agents.	Bills r- ce'able & oth as'ts.
1855–56	$29,786,372	$812,453	$8,998,176	.....	$1,176,153	$260,770
1856–57	30,515,315	910,797	8,991,977	.....	750,492	292,583
1857–58	30,732,517	763,230	8,193,000	$360,989	500,464	83,485
1858–59	30,840,714	58-,980	8,015,000	286,707	490,163	144,442
1859–60	31,106,065	964,331	7,831,000	150,934	442,335	143,732
1860–61	31,524,226	921,131	7,634,500	240,021	572,034	153,375
1861–62	31,787,398	782,580	7,429,500	341,410	1,316,467	209,481
1862–63	32,740,068	791,965	7,224,104	519,829	1,392,258	191,656
1863–64	32,879,251	712,915	6,99 ,598	491,756	983,266	213,183
1864–65	33,701,920	1,279,791	6,768,120	1,173,633	956,663	195,270

The cost of road *per mile*, the earnings and expenses *per miles*, the *rate of expenses to gross earnings*, and the *rate of dividends* per annum are shown in the annexed table:

Fiscal years.	Cost of R'd p. mile.	Earn'gs p. mile.	Exp'ses p. mile.	Profits p. mile.	Exp's to ea'ns.	Rate of divi- dend.
1853 (5 mos.)	$39,511	$8,469	$4,964	$3,505	58.61	
1853–54	40,972	10,512	5,485	5,027	52.18	9
1854–55	51,302	11,805	6,117	5,688	51.49	8
1855–56	53,572	13,861	7,370	6,491	53.17	8

1856-57	54,884	14.437	8,009	6,428	55.47	8
1857-58	5 ,274	11,741	6,272	5,469	53.43	8
1858-59	55,469	11.152	6,024	5,128	54.01	7
1859-60	55.946	12,513	7.695	4.818	61.49	6
1860-61	56,698	13,146	8,359	4,787	63.59	6
1861-62	57,171	16,829	10,085	6,744	59.98	6
1862-63	58,885	19,600	12,307	7,293	62.78	7
1863-64	59,135	23 377	16-809	6.568	71.90	9
1864-65	60,615	25.135	19,.72	5,563	77.86	6

The rates at which the stock of the company has sold at the New York Stock Exchange for the past five years have been as follows:

Years	1860-61.	1861-62.	18 2-63.	1863-64.	1864-65.
October	80 @91	73¼@79¼	105¾@107¾	133½@138½	109 @122
November	70 @84	77 @81¾	101 @105½	130 @139¾	119 @128¾
December	69 @76½	78¾@80¾	101¼@104¼	131 @138	112½@122¾
January	75¼@82½	79¾@83¾	107 @124⅞	130 @137¼	102½@119
February	75⅝@80¼	79¾@84¾	116½@120	132 @138	103¾@117¾
March	75⅝@80	82¾@84¾	107 @118¼	135¼@145	89½@113
April	68 @78¾	89¾@85¼	113 @117	130 @144½	85 @103¾
May	71¼@73¼	84¾@8 ¾	116¼@133	128 @135¼	87½@101¾
June	71⅛@74¾	88¾@95¾	115⅝@125	130½@135	89¾@ 94¾
July	73¼@79¾	87½@93¾	116 @129	131⅞@135½	90¾@ 96¾
August	72½@77	89¾@94¾	122½@139½	128¾@132	90 @ 98¾
September	72¼@74½	93 @104	128 @140	114 @129	92¾@95¾
Year	68 @92½	73½@104	101 @140	114 @145	83¼@128¾

In explanation of the results of the year 1864-65 the Report makes the following statement:

The items charged to Construction account, during the year, have been:

Land: principally at Troy, Syracuse and Buffalo	$110.718 18
17 engines, 18 passenger and 322 freight cars added to equipment	659,300 00
5.85 miles of second track on the Syracuse and Rochester direct road	52,650 00
	$822,668 18

All the other expenditures during the year (except as shown in the increased value of fuel and supplies) have been charged to Transportation Expenses, and include a very general and thorough overhauling and repairing of the motive power and rolling stock, and of the road-bed and superstructure, the rebuilding of the cattle sheds at Buffalo, and a portion of the car shops at West Albany, which had, respectively, been destroyed by fire, and the rebuilding of the bridge over the Genesee River at Rochester, which had been carried away by the flood in March. The uniformly extreme cold weather in January, February and March, and the unusual fall of snow and rain in the two months last named, caused great general damage and consequent additional expense for repairs, besides materially diminishing the traffic.

The stock of Fuel and Supplies from the light supply of which during the winter of '64 and '65 some difficulty was experienced) has been increased to a proper standard. The enhanced price of the articles made the *value* of nearly similar *quantities* much greater than formerly, and necessarily involved a larger investment of money to provide for the requirements of the line.

Owing mainly to the great increase in prices, the net result of the business of the year did not afford sufficient means to meet this investment, in order to provide for which, and for the amounts paid on Construction account, and for account of Hudson River Bridge at Albany (the latter $330,000.00), there was issued, during the year, $2,000,000.00 in convertible seven per cent bonds, due in 1876. During the same period certain items of debt matured and were paid off, so that, at the close of the fiscal year, the Capital Stock and Funded Debt stood $1,621,000.00 more than at the close of last fiscal year Statements showing the amount of Capital Stock and Funded Debt at close of each fiscal year, from 1856 to 1865, will be found on pages 8 and 9.

The Iron Bridge over the Erie Canal at Schenectady, spoken of in last year's Report, has been completed this year. The length of iron bridging now upon the line, reduced to single track, is 5.677 8-12 feet.

The renewal of Iron Rails, during the year, amounted to 15,708 tons, equal to 163,62 miles of single track. The number of Ties renewed during the same period was 535,669.

The New York Central Railroad Company is a consolidation of a number of original and separate companies whose lines in conjunction extended from Albany & Troy on the Hudson River to Buffalo on Lake Erie, with extensions to the Niagara Suspension Bridge and other points. These were as follows :

	Miles.
Albany & Schenectady	16.97
Schenectady & Troy	20.50
Utica & Schenectady	78.00
Syracuse & Utica	53.00
Syracuse & Rochester Direct	78 70
Rochester & Syracuse	104.00
Buffalo & Lockport	12.25
Mohawk Valley (never built)	....
Rochester, Lockport & Niagara Falls	76 50
Buffalo & Rochester	80.00

—and several others were subsequently added to the consolidation.

The *Albany & Schenectady* was originally chartered under the title of the Mohawk & Hudson Railroad Company and was the first corporation of the kind chartered in the State. The construction of the road was commenced in August, 1830, and the road completed and opened to the public September 24, 1831. The superstructure was primitive, being simply longitudinal sills, on which a flat bar 9-16th inch thick and 2½ inches wide was laid. The ascents from Albany & Schenectady respectively were overcome by inclined planes worked by stationary engines, the intermediate road being operated by both engine and horse power. The first engine used was of American manufacture and weighed *three* tons. An engine imported from England, weighing *twelve* tons, could not be used on account of its weight. The planes were abandoned in 1844, and in 1847 the original name of the company was changed to that of Albany & Schenectady. The cost of the road at the date of consolidation was $1,810,693 and for the five years then ending the dividends averaged seven per cent on the capital.

The *Schenectady & Troy* Railroad Company was chartered in 1836 and the road built in 1841–42. At the date of the consolidation its cost had been $698.873. No dividends were ever paid.

The *Utica & Schenectady* Railroad Company was chartered in 1833. Construction was commenced in the fall of 1834 and completed August 1, 1836. The cost in 1853 was $4,296,728. Dividends for the five previous years averaged twelve per cent on its capital stock.

The *Syracuse & Utica* Railroad Company was chartered in March 1836, and the road fully opened to traffic July 3, 1839. Up to 1853 it had cost $2,836,856. From '39 to '50 inclusive, the annual dividend was eight per cent and thenceforward to consolidation ten per cent.

The *Syracuse & Rochester Direct* Railroad Company was organized under the general law August 6, 1850, and was immediately merged into the Rochester & Syracuse Company by which the road, 84.70 miles in length, was constructed and opened in 1853.

The *Rochester & Syracuse* Railroad Company was formed by the consolidation August 1, 1850 of two separate organizations, viz.: the "Auburn and Syracuse," 26 miles, chartered in 1834 and completed in 1838–39, and the "Auburn & Rochester," 78 miles, chartered in 1836 and

completed in 1841. Both roads were very successful and paid during their separate existence eight per cent dividends. Including the direct road their cost at consolidation was $6,506,301. In the three previous years the company paid a total dividend of 23 per cent.

The *Buffalo & Lockport* Railroad Company was organized under the general law April 29, 1852. While the road was being constructed it was consolidated into the Central Company at an estimated value of $675.000 The road was opened in 1854.

The *Mohawk Valley* Railroad Company was formed under the general law Jan. 21, 1851 and anew Dec. 28, 1852. The company proposed to construct a railroad on the south bank of the Mohawk between Utica and Schenectady. No portion of the road was ever constructed, and in 1853 the company became merged into the consolidation, the share capital being payed by agreement to the Central Company.

The *Rochester, Lockport & Niagara Falls* Railroad Company was successor to the Lockport & Niagara Falls Company, chartered in 1834. Its road, 23 miles long, was completed and opened in 1838 at a cost of $197,000. In 1850 the company filed articles of association under the title of the Rochester, Lockport & Niagara Falls Railroad Company, and soon after commenced the reconstruction of the original road and the extension of the line from Lockport to Rochester, 53½ miles. The whole was finished July 1, 1852, at a cost of $2,343,388. In thirteen months previous to August 1, 1853, the road earned $309,848 gross, or $194,466 net, out of which was paid a 3 per cent dividend.

The *Buffalo & Rochester* Railroad Company was formed Dec. 7, 1850, by the consolidation of the "Attica & Buffalo" and the "Tonawanda" companies. In 1852, having completed a direct road between Buffalo & Batavia, the company sold that portion of its original road which extended from Buffalo to Attica, 31.95 miles, to the Buffalo & New York City Company. At the date of consolidation into the Central Company the road had cost $3,332,152, and was paying 10 per cent on its capital.

The articles of agreement required by the act authorizing the consolidation of the above named companies were signed May 17, 1853, but did not take effect before August 1. In addition to the roads named, the new company acquired by further consolidation, the line from Rochester Junction to Charlotte 7 miles in 1853, and the line from Buffalo to Lewiston 28 miles in 1855; and by lease the Canandaigua and Niagara Bridge Railroad 91 miles in July, 1858.

The consolidation fixed the Capital Stock at $24,000,000 of which the stocks of the original companies amounted to $22,858,600. These stocks stood as follows:

Albany & Schenectady	$1,535,800	Syracuse & Utica direct	$600,000
Schenectady & Troy	650,000	Rochester & Syracuse	5,606,700
Utica & Schenectady	4,500,000	Rochester, Lockport & N. Falls	2,016,100
Mohawk Valley	1,575,000	Buffalo & Rochester	3,000,000
Syracuse & Utica	2,700,000	Buffalo & Lockport	675,000

—making a total of $22,858,600. This amount was further increased by the conversion of outstanding bonds $800,000, the capital of the Buffalo & Niagara Falls Railroad $565,000 of the Lewiston Railroad $217,600 and the Charlotte Branch $150,000, companies subsequently admitted into the consolidation. The capital now amounts to $24,591,000.

The bonds of the several companies were assumed and exchanged generally for bonds of the consolidated company at par.

Included in the debt of the company are a series entitled Premium Bonds or Debt Certificates. These were issued to the stockholders on the old lines, being the estimated value of their stocks above par.

This excess of par or rate of premium was rated in the articles of consolidation as follows:

Companies.	Stock and Conv. bonds.	Rate Premium.	Amount of Premium.
Albany & Schenectady	$1,621,800	17	$275,706
Utica & Schenectady	4,500,000	55	2,475,000
Mohawk Valley	1,575,000	55	866,250
Syracuse & Utica	2,700,000	50	1,350,000
Syracuse & Utica direct	600,000	50	300,000
Rochester & Syracuse	5,608,700	30	1,682,610
Rochester, Lockport & N. Falls	2,155,100	25	538,684
Buffalo & Lockport	675,000	25	168,750
Buffalo & Rochester	3,000,000	40	1,200,000
Rochester & Charlotte	150,000	25	37,500
Schenectady & Troy	650,000	*par.*	.....
Total	$23,235,600		$8,892,480

The articles of consolidation provided for a Sinking Fund for the retirement of the Debt Certificates by the annual payment thereto of a sum equal to one and a quarter per cent of the amount issued. This is $111,182 38. The whole amount retired by the operation of this fund to the 1st October, 1865 was $2,202,480 38 leaving $6,690,119 62 outstanding.

The policy of issuing these bonds has been condemned. The principle has not been followed in posterior consolidations. Instead of ascending the practice is now to descend from a par, and so scale inferior stocks to their proper level. Had the Central Company followed this plan a great financial burden would have been avoided—the cost of the certificates being upwards of $600,000 a year for 30 years, deducting so much from the dividend fund. Had they made the highest stocks par and scaled down the result would have saved all this, and also large sums in the reduction of the inferior stocks.

The New York Central Railroad as now existing is one of the most extensive establishments of the kind in the United States. It forms one of the great lines between the east and west, and has grown up on the commerce between the two sections. It depends also largely on its local business. Anything that affects these is naturally of importance. A failure of crops, or a stagnation in business, are soon felt in a decrease of revenue. On the other hand the late war created for it an immense traffic which swelled the gross receipts enormously, but at the same time labor and material were enhanced in cost, and the actual result was a loss in net revenue, which in 1862-63 was $4,054,998, but in 1864-65 only $3,093,106 and at least one half of this residue was raised chiefly by increasing the freight charge from $2.70 cents in 1863 4 to $3.26 cents in 1864-5 per ton per mile. A large gain was also due to increased travel, the volume having increased 15 per cent the last year. The dividends necessarily fell from 9 to 6 per cent. The prospects for the current year are that the result will be the total consumption of net

earnings in expenses and interest, for passage traffic has already returned to its usual rate, and freighting, reduced 15 per cent from its maximum last year, will sink a like rate the current year without a possibility of further increasing charges. Operating expenses in the meanwhile continue as high as when highest.

No further dividends can, therefore, be expected for years to come, nor at all until there is brought about a truer balance between income and cost.

OUR RESOURCES,*

A Lecture by H. C. Carey, Read December, 1865, Before the American Statistical and Geographical Society of New York, and the Association for the Promotion of Social Science of Boston.

It is of the resources of the Union, gentlemen, that I propose this evening to talk with you. By those who usually speak or write on that subject we are constantly told of the vast extent of our yet unoccupied land, of the great deposits of fuel and of metallic ores by which our soil is underlaid, and of the rapidly growing numbers of our population; and yet, if we look to Russia, Turkey, Canada, Mexico, or the South American States, the countries in which such land most exists; or to that European one, Ireland, in which the growth of population has been most rapid; we find among them precisely those in which land has the smallest money value, capital is most rare, interest at the highest rate, and the working man most nearly in the condition of bond slave to the landowner or other capitalist. Turning our eyes homeward and comparing the different portions of the Union, we find, in the States south of the Potomac, the greatest natural advantages coupled with a population whose natural increase has been even greater than that of these Northern States; yet there it is that land has been cheapest, that capital has least increased, that interest has been at its highest point, and that the laborer has been most enslaved. Passing thence to the New England States, we find that, though wholly destitute of natural advantages, land is there scarce and high in price, and man is free, while capital abounds, and interest, though high when compared with certain parts of Europe, is very low by comparison with almost any other portion of this Western Continent.

Crossing the Atlantic, and comparing two of the smaller kingdoms, near neighbors to each other, Ireland and Belgium, both possessing great natural advantages, we find differences closely approaching those which are here observed. In the first, capital has been so scarce that, while holding the laborer in a condition nearly akin to slavery, the middleman possessor of money has been enabled utterly to ruin a large proportion of those who formerly owned the land; in the latter, on the contrary, land commanding a higher price than in any other part of Europe, and the use of money being readily obtained at the lowest rate of interest. Turning next to the French and Turkish empires, we find ourselves face to face

* We must not be held to endorse the conclusions of the articles we publish under the authors' names. Mr. Cary has presented his case very ably, as usual.—Ed. Hunt's Mag.

with phenomena similar in character and even yet more remarkable for their extent. The former has no important natural advantages, yet is its land nearly on a par with that of Belgium, while capital so much abounds that money is readily there obtainable at moderate interest. The latter, on the contrary, has every conceivable advantage, fertile land abounding and the climate being among the best in the world, while fuel and metallic ores exist in great abundance; yet there it is that, of all Europe, land is cheapest, interest highest, and the laborer most depressed; and that, as a necessary consequence, the State is weakest.

Comparing Germany of the past and present we meet with similar contrasts. Forty years since she exported wool and rags and imported cloth and paper, and then her people were poor and her land very low in price while she herself was little better than a mere tool in the hands of foreign powers. Now, she imports both wool and rags and exports both cloth and paper; and it is as a necessary consequence of the changes that have been thus effected, that land and labor have greatly risen in price; that capital abounds and interest is low; and that she herself feels strong enough to set at defiance, as in the case of the Duchies she recently has done, the almost united will of Europe.

Having all these facts before us we are led necessarily to the conclusion that, with societies as with individuals, prosperity is far less due to the liberality of nature than to the use that is made of the bounties, large or small, of which they have been the recipients. The highly-gifted man, head of his class, throwing away his time and wasting his talents, dies in poverty, despised by all; while the patient industry of the fellow scholar to whom nature had been far less bounteous, enables him to attain to fortune, fame, and influence. Precisely so is it with nations, the question of their prosperity or adversity being dependent, mainly, not on the extent of nature's gifts, but on the use that is made of those which have been accorded.

Studying now the several communities above referred to, we find them susceptible of being divided into two well-defined classes, one of which, embracing Ireland, Turkey, Mexico, Canada, and the South American States, exports its products in their rudest state, leaving to others the work of changing their forms, and thus fitting them for consumption by the world at large. The other, embracing France, Belgium, and the *Zoll-Verein*, buys the raw products of other countries, combines with those produced at home, and sends the two, thus combined, to every market of the world. In the first these the price of land is low, capital is always scarce, and the capitalist is master of the laborer, whose condition is little better than that of a mere hewer of wood and drawer of water for the middleman by whose aid he maintains his little commerce with the outer world.

Looking now homeward we find our Union itself equally susceptible of division, the South and West exporting raw produce and paying at the highest rate for the use of a very little money; the North and East meanwhile buying that produce, changing its form, and returning it to the original producers burthened with the heavy charges to which our Eastern friends have stood indebted for the large capitals which are always ready to be lent at rates of interest that, as I have already said, are moderate by

comparison with those of the West and South, though high when compared with those of the European States to which reference has above been made.

Studying all the facts thus presented by so many important communities, we are led inevitably to the conclusion that the growth of capital is slow, and the price paid for its use high, in the direct ratio of dependence on strangers for finishing and distributing the products of the soil; while rapid in its growth and declining in its price in the ratio of the increase of that national independence which enables each and every nation to exchange directly, and without the need of foreign intervention, with each and every other. Admitting this, and all experience proves it so to be, then must the extent of national resources be mainly dependent upon the policy pursued, whether that which tends to promote or to repress the growth of that independence.

The questions asked by science are, "What are the facts?" and "Why are they so?" The first having above been answered, we come now to the second—"Why is it that poverty, high interest, and subjection of the laborer to the will of the capitalist are constant attendants of that course of policy which tends to limit nations to the two pursuits of labor in the field and labor in the shop—trade and agriculture?" To this an answer has recently been given by a well-known citizen of your State, one of the clearest-headed and most acute of economists, and late State Reporter—one to whom I gladly here acknowledge myself to have been indebted for many valuable suggestions—my friend, Mr. E. Peshine Smith; and so well given that, although yet unpublished, I place it here before you with his permission, in the words of his manuscript now in my possession, as follows:—

"Between the production of any commodity whatsoever, and its consumption, the interval, long or short, is one of inertness. So long as it so remains it stands a monument of human power and natural forces which, having expended themselves in bringing it into shape, slumber in suspended animation, not only communicating no impulse to that incessant activity which is the characteristic of vitality, but actually constituting a clog and obstruction that involves a draught upon the vital forces for the work of putting it again in motion. It is like an inorganic body contained within, and afflicting, an organism.

"The space to be overcome, and the time that must intervene before, by consumption, it evolves utility—thus becoming once again an instrument and a force—are coefficients of its value, neutralizing in the same proportion the power of the community in which it so rests paralyzed. The growth of wealth, therefore, depends upon the rapidity of the societary circulation; not the speed with which products are transported in space, nor the frequency with which they pass from hand to hand; but the continuity of transformation through the immediate succession of actual consumption to production. This involves necessarily the concentration and interfusion of producers and consumers, the growth of wealth, and the diversification of employments."

Such being the theory, we may now compare it with the actual practice. A bushel of wheat is produced representing, let us say, a dollar's worth of mental and physical force. The consumer being close at hand, the producer re-enters on the instant upon the possession of the whole capital that had been expended. Consumers not presenting themselves, the farmer stores it in his barn, losing so much interest. A neighbor offers to carry it for him, charging interest proportioned to the time that may reasonably be supposed likely to elapse before a consumer shall be

found. A trader comes, and he now takes upon himself the burthen of carrying it, charging further interest. In this manner it passes from hand to hand and from city to city, finally finding a consumer in Lyons or Manchester, having on the road paid, in the mere form of interest, perhaps half the price at which it has at last been sold.

What is true of this single bushel is equally so of the hundreds of millions of bushels of wheat, rye, and Indian corn; of the thousands of millions of pounds of cotton; of the hundreds of thousands of hundredweights of pork and beef, rice and tobacco, that are everywhere standing in barns, warehouses, wagons, cars, and ships, waiting the arrival of men prepared to give in exchange for them cloth, furniture, ploughs, harrows, and the thousand other commodities needed by the planters and farmers of the land. The whole constitutes a mass of petrified capital to be carried at the cost of the producer, and it is within the mark to estimate the amount so standing petrified at the present moment at five hundred millions of dollars, all of which bears interest. Turn back half a dozen years to the period of suspended animation that existed throughout the country before the war, and you will see that the amount of dead capital then carried must have greatly exceeded even a thousand millions. Can we then wonder at the high prices that, notwithstanding the wonderful gold discoveries of California and Australia, then were paid for the use of a little money by both our farmers and our planters? As I think, we cannot.

Let us now suppose that throughout the whole length and breadth of the land there had then, on the instant, sprung into existence, side by side with the producers, the number of consumers required for making an immediate market for the whole of this enormous mass, one offering in exchange personal service; another cottons; a third woollens; a fourth spades and hoes; and so on to the end of the chapter of the farmer's needs. At once, and almost as by enchantment, as in the case of the bottle of old wine made memorable by Webster's exclamation, the interest would have been stopped; the petrified capital would have sprung into life and activity; notes would have been paid; store debts would have been discharged; and the farmer would have found that instead of being dependent on the neighboring usurer for the means with which to buy sugar, tea, and coffee, he had in his hands a surplus ready to be applied to the purchase of all the machinery required for enabling him to double the produce of both his labor and his land. At what now might we estimate the gain to the community at large of this economy of capital? Most certainly the figure would be twice that of the mere saving of the 12, 15, 20, 30, or 40 per cent. to be paid throughout the country, and would represent many hundred millions. In the life of nations, as in that of individuals, it is thus in the rapidity of circulation and consequent economy of labor and interest that we are to find the surest road to wealth and power.

The case here supposed is precisely that exhibited in every country in which the consumer and producer are near neighbors to each other. The Southern traveller in New England asks, "Where are your barns?" and finds his answer in the fact then given him, that everything yielded by the land is consumed on the instant of production. So is it around our

cities, the market gardener finding instant demand for all his products. So too, is it in Belgium and in France; and therefore is it, that in those countries capital abounds, and that the services of money can always be commanded at the lowest rates of interest.

Whence, however, it will be asked, could have come the vast amount of labor required for giving this almost instant life to the enormous amount of capital so petrified? Before answering this question allow me to ask you to look to the extraordinary waste of human power that occurs in every country of the world in which, by reason of the absence of diversity of employment, there exists no regular and steady demand for it. Taking together all the countries I have named as exporters of raw products, Russia, Ireland, Canada, Mexico, and South America, it may well be doubted if the waste of force amounts to less than five parts out of every six; and yet, each and every portion of it represents some certain amount of capital in the forms of food, clothing, and shelter, expended for the support of life. Each dollar's worth of that capital, aided by the natural forces, is certainly capable of producing twice if not even thrice the quantity expended, and when it does so the community becomes from day to day more wealthy to the extent of the entire difference. When, on the contrary, the services of the laborer are not demanded, the community is impoverished to the whole extent of the consumption. Such being the case, it is easy to comprehend why capital should be scarce and interest high in all the countries that have last been named.

Between labor and labor's products there exists the important difference, that while the latter can be preserved in the interval between production and consumption, the former cannot. The owner of capital petrified in the form of unconsumed wheat loses only interest; whereas, the owner of unconsumed labor loses capital, labor power being that one species of it which if not consumed at the moment of production is lost forever. The more instant the demand for human service, and the more rapid its circulation, the greater must therefore be the increase of power and of force, the law governing the social body being identical with that which we feel and know to govern the physical one, and which is embodied in the wish that "good digestion may wait on appetite, and health on both."

The quantity of capital petrified in the form of raw produce awaiting revivification in the years anterior to the war has, as you have seen, been estimated at much more than a thousand millions of dollars. Of how it was with capital in the form of muscular force we may form some opinion from the following passage from a report of one of your charitable societies, exhibiting the state of things that here existed in December, 1855, nearly two years prior to the occurrence of the great crisis of 1857, as follows:—

"Up to the present the Association has relieved 6,622 families, containing 26,896 persons, many of whom are families of unemployed mechanics, and widows with dependent children, who cannot subsist without aid. And as the season advances the amount of destitution will increase. Last winter it was three times as great in January as in December, and did not reach its height until the close of February."

This is the type of all the reports that might, the following year, have been made throughout the whole extent of the Union. Look where we

might, men and women were seen unemployed, because mines had been abandoned; furnaces put out of blast; mills and machine shops closed; and farmers deprived of the power to make demand for labor because compelled to choose between storing their products on the one hand, or, on the other, selling them at the ruinous prices that then prevailed. Taking the whole country through, from North to South and from East to West, it may safely be asserted that two thirds of the capital daily invested in the production of human force were then being daily wasted. Estimating now the national labor power as being equivalent to that of eight millions of men, and the power of production of that labor, properly aided by machinery, at but two dollars and a-half per head, the daily loss would have amounted to thirteen millions, or $4,000,000,000 a year. Capital in one form was thus being destroyed because other capital was standing petrified in the forms of corn, wheat, lumber, rice, and other commodities for which no market could be found; and therefore was it that, with the treasures of California at our command, money was scarce and high, and public and private credit at the lowest ebb.

Having thus shown what was the waste of interest and of that capital which took, necessarily, the form of physical and mental force, we may now for a moment look at the waste of things. The straw of France is valued at $150,000,000; but throughout the West it is destroyed because of the absence of that market for it which arises necessarily in all communities in which employment is diversified. The manure of England is valued at £100,000,000, and near our cities manure is greatly prized; but throughout that portion of the country which sends its products to market in the rudest forms there is a constant withdrawal of the elements of fertility, the consequence of which exhibits itself in a steady decline in the powers of the soil. How enormous is the injury thus produced may be judged when it is known that more than a dozen years since it was stated, and by high authority, that our total annual waste "could not be estimated at less than the equivalent of the mineral constituents of fifteen hundred millions of bushels of corn." Well might the author of this statement exclaim, that "what with our earth butchery and our prodigality we were every year losing the elements of vitality;" and that although "our country had not yet grown feeble from this loss of life-blood, the hour was fixed when, if the existing system were continued, the last throb of the nation's heart would have ceased, and when America, Greece, and Rome would stand together among the nations of the past."

The skilled agriculturist is perpetually making a machine—utilizing material that has heretofore been unavailable for human purposes—and the sum of the utilities thus developed is found in the increased return to his labor, and in the augmented value of the land. Ploughing deeply, he enables the superficial and lower soils to combine themselves together; and the more perfect the combination, the larger is his reward. Draining his land, he enables the water to pass rapidly through it; and the result is found in large additions to his crops. At one time he raises marl with which to cover the surface; and, at another, quarries the limestone by help of which he is enabled to lighten up his heavy soils and diminish his risk, from excessive rain at one moment, or from drought at another; and in every case, the more he takes from his land the larger is the quan-

tity of manure he can return to it, *provided the market is near at hand.*

With every stage of progress in this direction, the various utilities of the raw materials of the neighborhood become more and more developed; and with each he finds an increase of wealth. The new mill requires granite, and the houses for the workmen require bricks and lumber; and now the rock of the mountain side, the clay of the river bottom, and the timber with which they have so long been covered, acquire a money value in the eyes of all around him. The granite dust of the quarry is found useful in his garden, enabling him to furnish the cabbages, the beans, the peas, and the smaller fruits for the supply of neighboring workmen. The glass-works need sand, and the glass-makers require peaches and apples; and the more numerous the men who make the glass, the greater is the facility for returning manure to the land, and increasing the crops of corn. On one hand he has a demand for potash, and on another for madder. The woollen manufacturer asks for teazles, and the maker of brooms urges him to extend the cultivation of the corn of which the brooms are made. The basket-makers, and the gunpowder manufacturers, are rival claimants for the produce of his willows; and thus does he find that diversity of employment among those around him produces diversity in the demands for his physical and intellectual powers, and for the use of the soil at the various seasons of the year; with constant augmentation in the powers of his land and in its price. Nothing, we may be well assured, grows in vain; but in order that the utility of the various products of the earth may be developed there must be association, and that there cannot be when employments are not diversified. When they are, everything is from day to day more fully utilized. The straw that would otherwise be wasted becomes paper, while shavings of the tree counteract deficiency in the supply of rags, with constant increase in the value of land, and in the rewards of those employed in developing its powers.

Directly the reverse of all this becomes obvious as the consumer is more and more removed from the producer, and as the power of association is thus diminished. The madder, the teazle, the broom corn, and the osier cease to be required; and the granite, clay, and sand continue to remain where nature had placed them. The societary circulation declines, and with that decline we witness a constantly increasing waste of the powers of man and of the great machine given by the Creator for his use. His time is wasted, because he has no choice in the employment of his land. He *must* raise wheat, or cotton, or sugar, or some other commodity of which the yield is small, and which will, therefore, bear carriage to the distant market. He neglects his fruit trees, and his potatoes are given to the hogs. He wastes his rags and his straw, because there is no paper-mill at hand. His forest-trees he destroys, that he may obtain a trifle in exchange for the ashes they thus are made to yield. His cotton-seed wastes upon the ground, or he destroys the fibre of the flax that he may sell the seed. Not only does he sell his wheat in a distant market, and thus impoverish his land, but so does he also with the very bones of the animals that have been fattened with his corn. The yield, therefore, regularly decreases in quantity, with constant increase in the risk of danger from changes of the weather, because of the necessity for dependence on a single crop; and with equally constant diminution in the powers of the man

who cultivates it, until at length he finds himself a slave not only to nature but to those of his fellow-men whose physical powers are greater than his own. That it is density of population that makes the food come from the richer soils, and thus enables men further to increase their power to command the various forces of nature, is a truth, evidence of which may be found in every page of history; and equally true is it, that in order to the cultivation of those soils there must be that development of the latent powers of man which can be found in those communities only in which employments are diversified.

Combining together the various items of waste thus far referred to, we obtain an annual amount which counts by thousands of millions of dollars, and that well accounts for the fact that capital has here been always scarce and interest high; and that we have been compelled to look abroad for aid in the establishment of communications, promising always payment for its use at prices ruinously high, and then, when bankruptcy has come, finding ourselves compelled to submit to denunciations like the so often quoted one of the Rev. Sidney Smith; and yet, it is only at the threshold of this question of waste at which we have now arrived.

We have land in abundance without the power properly or fully to cultivate it. We have timber in abundance, but need the power required for bringing it to market. We have iron ore in abundance, but are deficient in power to convert it into axes, ploughs, rails and engines; and yet in our beds of coal, vast beyond those of all Europe combined, we have an inexhaustible supply of that material, a single bushel of which is capable of doing the work of hundreds of men. Why do we not mine it? Because we need the capital required for sinking shafts and purchasing engines; and yet, in the period to which I have referred, there were more than a thousand millions of capital standing petrified at the expense of its producers, and we were wasting daily millions of that labor-capital whose application in this direction would have added so largely to the national wealth. How wonderful is the addition that may thus be made, has well been shown in the results so recently attained in California, and still more recently in the oil regions of Pennsylvania and the adjacent States. Greatly more wonderful than both of these combined must have been the effects that would have resulted from the application to the development of our marvellous and almost universal resources in coal and ores of even so small a proportion as a single fifth of the labor capital that was being wasted on each and every day of the sad years to which I have referred—the years in which we paved the way for the leaders of the secession movement. To estimate the annual addition that would, in that quarter a one, and by means of that comparatively small economy, have been made to the national wealth, at $1,000,000,000, would be to remain very far indeed within the truth.

Failing to develope our mineral wealth we are led necessarily to a waste of the mental power for whose development we make such large expenditures on schools and colleges. Among the seven and thirty millions of whom the population of the Union is now composed, the variety of minds is on a par with the variety of faces, each and every one being better suited for some one occupation than for any other. To enable each to find that place in which he may most fully contribute to the growth of

wealth and power, and to the promotion of the societary interests, there needs to be that diversification of pursuits which never can arise in a country that exports its products in the rudest state. In all such countries, the round man finds himself placed in the square hole, and the square man in the round one, each thus deprived of power to contribute his proper share to the advancement of the community of which he is a part. More than at almost any period of our history was this to be seen at the period of which I speak; and, as a necessary consequence, the proportion borne by non-producers, middlemen of every description, to producers was greater than in probably any other country claiming to rank as civilized. For want of the capital that then remained inert and useless, bearing interest at the cost of its producers, the mill, the mine, and the furnace were closed, and those who should have been furnishing for consumption all the various products of the earth found themselves compelled to become clerks and traders, lawyers and doctors, the claimants on the things produced, thus increasing in number precisely as production diminished.

The power of accumulation, whether in the physical or social body, exists in the ratio of the rapidity of circulation. The circulation at the time of which I speak was sluggish in the extreme, and hence it was that, notwithstanding the vast receipts from California mines, capital was petrified, credit was impaired, and the rate of interest throughout the West great, as I believe, beyond all previous precedent. In the history of the civilized world there can, as I think, be found no parallel to the waste of physical and mental force that then was taking place. Seeing this, I then told my friends that the tariff of 1846 was costing the country not less than $3,000,000,000 a year, but am now satisfied that I should have been much nearer the truth had I placed it at double that amount.

That waste, so far particularly as the 20,000,000 of the population of the Free States were concerned, was at its height throughout the whole period of Mr. BUCHANAN'S administration. For the products of their agriculture there was almost literally no demand among the manufacturing nations of Europe, our exports of food in that direction in the three years that preceded the secession movement having averaged but $10,000,000. Corn in the West was then being used for fuel, and thus was its producer compelled to lose not only the interest upon his capital, but the very capital itself that he had thus invested. Labor power was in excess, and men were everywhere wandering in search for such employment as would enable them to purchase food. Mills and furnaces were abandoned, and so trivial was the domestic intercourse that the stock of a number of the most important roads of the country fell to, and long remained at, an average price of less than fifty per cent. For years we had been trying the experiment as to how the large outlay of labor could be made for the accomplishment of any given result, an experiment directly the opposite of that which is tried by every successful producer of corn or cotton, cloth or iron; the effect exhibiting itself in the fact, that the community was paralyzed, and so wholly destitute of force that had the government then found occasion to call upon the whole 32,000,000 for a sum so small as even a single hundred millions, it could scarcely have at all been furnished.

Nevertheless, hardly had Mr. BUCHANAN left the seat of government when three-fifths of the nation, numbering but 20,000,000, commenced the erection of the grandest monument the world has ever seen; one that during the whole five years that has since elapsed has, on an average, required the service of more than a million of men, or more than five per cent of the total population, male and female, sick and well, young and old. Not only have those services been given, but during all that time the men employed have been well clothed, abundantly fed, and furnished with transportation to an extent, and in a perfection, unparalleled in the history of the world. With them, too, have been carried all the materials required for making the edifice in whose construction they were engaged as durable as we know to have been the great pyramids erected by Egyptian monarchs. A wonderful work was it to undertake. More wonderful is it to see that it has been so soon and so well accomplished, to stand in all the future as the monument par excellence of human power.

Whence came the extraordinary force that we see to have been thus exerted? How was it that a people which in 1860 had been so very feeble could, in the succeeding years, have made donations to the extraordinary extent of thousands of millions of dollars a year? The answer to this question is found in the fact that the conditions of national existence had wholly changed, activity and life having succeeded to paralysis, and the societary circulation having become strong and vigorous to an extent that had never before in any community been known. For the first time there was presented for examination a nation in which the demand for labor and all its products went ahead of the supply, enabling both farmer and planter to "stop the interest" upon capital that had so long been petrified in the crudest forms of agricultural production, and thus to enable them to make demand for the products of other labor applied to the development of our mineral wealth, and to the conversion into commodities fitted for human use, of the products of our hills and valleys, our farms and mines. The secret, gentlemen, of all the force that recently has been so well exerted—a force so extraordinary as to have astonished the world at large—is to be found in that simple principle to which I already have referred, evidence of whose truth is found in the books of every trader of your great city, and which is found embodied in words already given—the power of accumulation exists in the ratio of the rapidity of circulation.

What however was the force applied? Why was it that activity had so instantaneously succeeded to apathy—that life and energy had replaced the paralysis that had till then existed? Had these questions been put a year since, nine-tenths of our people would have said that it had been caused by the demands of the government and must terminate with their cessation; and yet, of all the vast body of men who might thus have answered there could not have been found even a single one who could have explained now the abstraction from other pursuits of the labor of a million of men, and the necessity for feeding and clothing them while engaged in the erection of such a monument as that of which I have spoken, could, by any possibility, have produced the extraordinary effects that have been here observed.

To attribute the activity and life then existing to the government demands is to substitute effect for cause. It was the force resulting from an activity of circulation wholly unprecedented in history that enabled the government to make the war, and that force existed in despite, and *not* as a consequence, of goverment necessities. That such was certainly the fact will, as I think, be clearly obvious when you shall reflect, that but for those necessities the whole million of men employed in building our great monument might have been employed in clearing land, sinking shafts, mining coal and ores, and combining the two in the forms of lead, copper and iron; making bricks and lumber, and thus furnishing supplies of raw materials to be converted on the spot into thousands of mills and shops, large and small, and into the cloth and iron, spades and shovels, coats and hats, required for supplying a population among whom the demand for mental and physical force so far exceeded the supply as to make it absolutely necessary to build engines by tens of thousands, and thus to substitute, to the annual extent of the power of tens of millions of men, the wonderful force of steam for that of the human arm. So applied, that same force would have produced annually of commodities in excess of what has been our actual production, at least $3,000,000,000, every portion of which would have been in the market seeking to purchase labor, thus greatly increasing the laborer's reward. The power of accumulation would, under such circumstances, have been more than trebly great, with steady decline in the rate of interest, and in the power of the capitalist to control the laborer's movements; freedom, wealth, power, and civilization, always growing with the growth of power to place the consumer by the side of the producer, and thus to increase the rapidity of the societary circulation.

That the wonderful activity of that circulation did not result from the necessities of the Government will, as I think, be clear to all who carefully reflect on the facts above presented. Whence, then, came it? From the adoption at Chicago, six years since, by the great Republican party, of a resolution to the effect that the produce of the farm should no longer be compelled to remain inert and losing interest while waiting demand in distant markets; that the capital which daily took the form of labor power should no longer there remain to be a mere support for foreign rails; that the power which lay then petrified in the form of coal should everywhere be brought to aid the human arm; that our vast deposits of iron ore should be made to take the form of engines and other machinery to be used as substitutes for mere muscular force; and that all our wonderful resources, material and moral, must and should be at once developed. Such, gentlemen, was the intent and meaning of the brief resolution then and there adopted, to be at the earliest practicable moment ratified by Congress, as proved to be the case when the Morrill Tarriff, on the memorable 2d of March, 1861, was made the law of the land. To that law, aided as it was by the admirable action of the Treasury in supplying machinery of circulation, we stand now indebted for the fact that we have, in the short space of five years, and at a cost of thousands of millions of dollars, erected the wonderful monument of which I have spoken; that we have, in those same years, produced more food, built more houses and mills, opened more mines, constructed more roads than ever before;

must be the rate of interest; the more must we be limited to the export of raw produce; the fewer must be our markets; and the more he must find himself compelled to compete with the low rates of interest, and the low wages paid by owners of British and German ships:

V. That since the introduction of steam the question of navigation has become, and must from day to day more become, a mere question of the rate at which capital can be supplied; and, that if we are ever to resume upon the ocean the place so lately occupied, it can be only as a consequence of the pursuit of a policy tending towards bringing the consumer and the producer together, thereby quickening the motion of capital in the forms of food and of mental and muscular force, and thus promoting accumulation.

The Railroad King can scarcely fail to see—

I. That the more rapid the societary circulation the greater must be the quantity of men and things needing to be carried:

II. That the more rapid the development of our great mineral deposits, the greater must become the general supply of iron, and the more the tendency to fall in price:

III. That all experience tends to furnish evidence of the facts that foreign iron is always low in price when American iron-masters are prosperous, and always high when American furnaces are out of blast:

IV. That, as a consequence, American railroads have always prospered when the internal commerce was rapidly growing; and have been always greatly depressed when in obedience to the orders of foreign traders that commerce has been sacrificed.

The Landowner can scarcely fail to see, that when capital is active interest is low and labor is in great demand; and that then it is that foreign capital and foreign labor tend, to his great advantage, here to seek employment.

The Farmer can scarcely fail to see, that the greater the home consumption of his products the less must he be compelled to compete in England with the agricultural nations of Europe; the higher must be prices in that regulating market; and the higher must be those of the great domestic one.

The Manufacturer of the East can scarcely fail to see, that the more our mineral resources are developed, and the more the people of the South and West give themselves to the production of the coarser kinds of cloth the greater must be the demand upon them for those more profitable of a higher order.

The Banker can scarcely fail to see. that all our financial crises, and all the losses thence resulting, have occurred in British free trade times; and that all that is needed for securing us against their recurrence in the future is the thorough adoption of a policy tending to promote rapidity in the societary circulation.

The Philanthropist can scarcely fail to see, that the more rapid the circulation the greater must be the tendency towards improvement in the condition of the laborer, black or white.

The Finance Minister can scarcely fail to see, that the power permanently to contribute to the support of government has always existed and must necessarily exist, in the direct ratio of the rapidity of that circulation.

THE BONDHOLDER can scarcely fail to see, that repudiation has always come as a consequence of an arrest of the circulation, and that perfect security for his children and himself can be found in one direction, and one alone; that which leads to more perfect combination among our people as a consequence of bringing the consumer and producer more and more near together.

THE ECONOMIST can scarcely fail to see, that the British free trader seeks to place himself between all the producers and consumers in the world, and to enrich himself at their expense; and that the real road to national wealth and power lies in the direction of resistance to that system.

THE STATESMAN can scarcely fail to see, that our periods of national weakness have been always those in which consumers and producers have been becoming more widely separated, while our periods of strength have been those in which we have had a National System; as when, thirty years since, by aid of the tariff of 1828, we finally extinguished the national debt; as when twenty years since, by aid of the tariff of 1842, we resumed the payment of interest on our foreign debt; and as now, when we have just completed the erection of the greatest and most costly monument the world has ever seen, or perhaps will ever see.

THE MAN in whom there exists any feeling of national pride can hardly fail to see, that the one great obstacle standing in the way of the permanent establishment of a sound National System has been the opposition of foreigners, and of that people especially which has recently been most active and most untiring in its effort to aid the South in breaking up the Union.

THE WHOLE PEOPLE can scarcely fail to see, that human force, mental and muscular, is the commodity which all have to sell; that it exhausts itself on the instant of production; that the more instant the demand for it the more is it economized, the greater is the power of production, the higher the rate of wages, the greater the power of accumulation, the lower the rate of interest, and the greater the tendency towards freedom and peace, both at home and abroad.

THE CHRISTIAN can scarcely fail to see, that the policy which tends towards increase in the rapidity of the circulation tends necessarily towards increasing the reward of labor and effecting an improvement in the condition, material, and moral, of the laborer; and that in advocating it he is aiding towards carrying into practical effect the great precept which lies at the foundation of Christianity, ALL THINGS, WHATSOEVER YE WOULD THAT MEN SHOULD DO TO YOU, DO YE EVEN SO TO THEM.

The views thus presented differ widely from those taught to the world by that English school which holds that "the smuggler is the great reformer of the age;" and by those of its disciples who have recently throughout our southern coast carried their theories into practical effect. The cause of difference is to be found in this, that while the policy urged by it upon the outer world is directly the reverse of what is practised by every Manchester manufacturer, that National Free Trade policy to which we owe our recent great success and our present prosperity is in full accordance with the practice of every successful mechanic, manufacturer, and agriculturist, throughout the civilized world. What is it that these latter desire? Is it

not to economize human service? To that end are they not refuse in the application of food and clothing to the creation of machinery, thereby substituting the *products* of labor and capital for labor itself? Does not capital everywhere grow in the direct ratio of that substitution, and does not that growth make new demands for human labor, with constant tendency towards increased production, increase of wages, and increased ability to make still further substitution of capital for labor? To these questions there can be no reply but in the affirmative.

Nevertheless, when we study the writings of British economists we find them filled with advice in reference to the saving of *products* in the form of money, leaving wholly out of view that *labor* is economized in the direct ratio of the rapid consumption of its products. Say to them that the waste labor of Ireland in a single year would more than suffice to give to the Irish nation mills and machinery for the conversion of all the cotton produced in America, and they reply by saying, that Manchester furnishes shirts to the Irish laborer more cheaply than could be done by men who should employ Irish labor and Irish fuel in making cloth for Irish wear. Prove to them, on the highest free trade authority, that in those parts of Russia in which employments are not diversified the condition of the free laborer is worse than that of the serf, and they ask your attention to the low price at which they supply coats and hats. Show them, as I myself did, some years since, to Mr. Cobden, that we were steadily giving more and more food and cotton in exchange for less and less gold, tin, copper, and iron, and they will reply, as he did to me, by asking, "Do we not now furnish iron cheaply enough to satisfy you?"

Talk with an American disciple of that school, of the pauperism that has always here existed in the British Monopoly times, and he replies, as recently was done by one of your own high authorities, by an essay on the high price of steel pens! Tell him that of all labor-saving machinery the precious metals are the greatest, and then invite his attention to the enormous price paid for their use throughout the whole period of Mr. Buchanan's administration and he will be likely to answer by showing at how low a price Britain had been willing to supply with cloth people who, unable to sell their labor, could scarcely purchase food! Need we then wonder that by that school the science of political economy has recently been so reduced in its proportions that it is now limited to the consideration of the mere acts of buying cheaply and selling dearly, having thus become a sort of shop-keeping science, the natural product of a policy that so long has tended, to use the words of Adam Smith, to the creation of a "nation of mere shop-keepers?" Scarcely so, as I think.

The one commodity, as we know, that all men have to sell is muscular and mental force, and that must be sold on the instant, or it is forever lost. The Irish people, on an average, waste nine-tenths of it, and while they shall continue so to do Ireland must remain in the pitiable condition in which she stands now before the world. Under the administration of Mr. Buchanan two thirds of it were wasted here, and to that waste were we indebted for the pauperism of our people and the weakness of the government five years since. To the economy of it that resulted from the adoption of a National Free Trade System, and to that alone, do we stand today indebted for the wonderful changes we since have seen; and yet,

strange to say, you have among you men of both intelligence and influence who are urging upon the country a return to that British Monopoly System which, under the mask of free trade, has not only paralyzed us on every occasion on which we have been subjected to it, but has ruined every friend that Britain has ever had, and every country that she has so long controlled as to give to it opportunity for proving the full extent of its capacity for mischief.

The world has been always word-governed, and so it is now, the word most in use for that purpose being that to which reference has above been made, to wit, "free trade." Such being the case, it may not be amiss here to inquire what it is that, as used, it really means. To that end let us examine the movements of the people here around us, and ascertain who among them it is that enjoy the most perfect freedom of trade; thus, in accordance with the true method of science, studying the near with a view to proper comprehension of the distant. Doing this, we shall be sure to find it among those who have the most direct relation with the consumers of their products. Take, for instance, the *Times*, *Tribune*, *Herald*, and *Post*, and see how entirely impossible it would be for any person or persons in any manner to control, to his own profit, their course of action. Ask their editors, and you will soon learn how fully they appreciate the fact that their success in the present and in the future is dependent wholly on themselves, and cannot be seriously affected by any outside action. Retailing the services of their journals, and the journal itself, their owners suffer little, if at all, at a time of crisis, nor do they ever figure among the creditors of bankrupts. Look, I pray you, throughout your city and see if you can elsewhere find any producing interest that is so entirely independent. As I think you cannot.

Take next those printers who, like the Messrs. Harper, make and sell their own books, and you will find a state of things precisely similar. All that they need, as they well know, is good judgment in the selection of books, good taste in their manufacture, and sound discretion in the mode of bringing them to the knowledge and within the reach of the public.

Compare now with them the printer who works for publishers, the maker of printing paper, and the binder of books, and you will find a state of things most widely different. Perfectly familiar, throughout a large portion of my life, with everything connected with both paper and books, I can safely say that I know of scarcely any pursuits in which those engaged have been more dependent on the will of others, in which so few have accumulated fortunes, or in which there has existed less real freedom of trade. To what now is this to be attributed? To the simple fact that all the products of the labors of these men are required to pass through the hands of middle men before they can reach the public. In common with all others, those middle-men rejoice when the demand for paper diminishes; when the raw materials of books accumulate; and when the necessities of their producers force them to sell at prices that yield no profit, and at credits so prolonged as to involve in risk of ruin all who are compelled to give them. The nearest approach to serfdom that I know to exist in civilized life is that of the men who are engaged in departments of manufacture whose products have yet to pass through several hands before they can reach those of the consumer.

Precisely so is it with nations. France finishes all her products, combining food, wool, and silk, and enabling the compounds readily to reach every country, every city, and every village of the world. Of all countries there is, therefore, none so independent. Hostile tariffs scarcely affect at all her commerce. Short crops, or wars abroad, affect her least; and for the reasons that her market is everywhere, and that such occurrences in one country find, to a great extent, their compensation in another. Her position in relation to the world at large is, therefore, precisely that of the proprietors of your journals. So long as both shall continue to furnish commodities better fitted than any other to meet the wants, or to gratify the tastes, of consumers, no laws that can be anywhere enacted can prevent them from supplying their accustomed markets.

Directly the reverse of this is what we find in those countries which export raw products. For them there is no market except in those countries which possess machinery of manufacture, wheat not being needed where there are no flour mills, nor cotton where there is none of the machinery required for spinning and weaving it. They *must* go where they *can*, and not where they would, their position being, therefore, precisely that of the printers and paper-makers above described. Thus limited in their markets they find themselves subjected to the will of those by whom these latter are controlled, by all of whom it is well known that the way to cheapen the commodities they need to purchase is to be found in working short time, diminishing the supply of money, and raising the rate of interest. In this manner are the people of all the countries that export raw produce kept in a state of dependence and made mere "hewers of wood and drawers of water," for men whose profits grow as theirs decline; and this is urged upon them by England as being a real freedom of trade. The day may come, and I cannot but hope that it soon will do so, when it shall be understood that its real meaning is monopoly; that the real free traders are those who advocate the National Free Trade System; that the road to civilization lies in the direction of that diversified industry which tends to bring the consumers into close relation with the producers; and that the raising of raw products for foreign markets is the proper employment of the barbarian and the slave, and of those alone.

Of all the communities that have at any time existed none has ever had in its hands so much power for good or evil as now is held by the one of which we are a part. With natural resources great almost beyond imagination we need only the labor and the capital required for their full development. For the one we do not need to look beyond those vast deposits of petrified power which lie beneath the soil, a single bushel taken from which is capable of doing the work of hundreds of men. Of the other, the supply will be found in vast abundance whenever the nation shall come to learn, first, that corn and cotton unconsumed are so much dormant capital waiting only consumption to spring once more into activity and life; and, second, that labor power, mental and muscular, is so much capital that perishes on the instant of its production, and if not then consumed is lost forever.

We do not, therefore, need to seek abroad supplies of either capital or labor. Both, however, abound in various countries of Europe, and have always proved ready to come to us when we have pursued a policy tending

to economize labor, to increase the supply of capital, and thus to lower the rate of interest—the immigration of both having largely grown under the National Free Trade policy of 1828, 1842, and 1861; and that of both having declined under the British Monopoly System established by the tariffs of 1834, 1846, and 1857. The more productive labor here the greater then must be the tendency towards emigration from Europe, and towards elevation of the laborer there. The greater the accumulation of capital and the more perfect the national and individual credit here, the greater must be the tendency towards export of European capital, and reduction of the rate of interest here. For the production of such results, beneficial to the world at large, we need but steadily to pursue that course which most stimulates the societary circulation; that one which tends most to enable the farmer and the planter to "stop the interest" on their products, and the laborer to find instant demand for the power he has to sell.

Such are OUR RESOURCES. Infinite in their extent, it is to their development thus far accomplished under the National Free Trade System that we have been indebted for our passage through a trial extraordinary far beyond any to which any nation of the world had before been subjected. The work, however, has but just begun. Let us continue onward in the same direction, and we shall find that the capital invested in the great monument of which I have spoken has proved as good an investment as that of the New York canals, the result of its erection having been that of giving to the loyal States the power to make themselves, and for the first time, really independent; as has already been the case to an extent that five years since could not have been anticipated. Let us so continue, and we shall find that the annual addition to the national capital, by means of labor and interest saved by individuals, will soon be fifty-fold greater than the amount of interest required to be paid from the treasury of the Government by which those individuals are represented.

In conclusion, allow me to ask your attention to the great fact that commercial power has always gone hand in hand with that diversification of pursuits which has everywhere resulted from measures tending to the promotion of internal commerce. Athens, with her miners and manufacturers, governed the Grecian world. Carthage, largely manufacturing, controlled the commerce of half the then known world. Holland was mistress of the commercial world in those days when the people of the Rhine cities could boast, "that they bought of the stupid Englishman skins at sixpence and paid for them in tails at a shilling." England, wiser-grown, now does the same by us, and she it is that now controls the commercial world outside of Europe, leaving to industrial France the management of Europe itself. Such is the lesson taught by history, and we must now profit by it or abandon forever the hope of occupying the proud position to which our natural resources so well entitle us. To it we never can attain so long as we shall continue to sell, as we so long have sold, whole skins for sixpence accepting pay in tails at a shilling each. This is *not* the road towards civilization, power, and influence. That it *is* the one which leads to barbarism, weakness, and dependence, is proved by the experience of all communities that have travelled on it; and by none more thoroughly than our own. Should proof of this now be needed, let me ask you to study the present condition of the prostrate South, and see how readily the great

Cotton King has been dethroned by the United efforts of the hammer, the spindle, and the loom. That done, turn your eyes to the West and study the recent prostration of almost the whole people of the great Mississippi Valley before a few insignificant capitalists, who are thus to be propitiated into giving to their obedient slaves an additional road to the British market. Those who desire to command the respect of others must learn first to respect themselves; and that our people can never do until they shall first have learned that the road towards wealth and strength has, in all nations, and at all ages, been found to lie in the direction of bringing the plough, the loom, the anvil, and the ship to work in harmony with each other. Let them, gentlemen, once learn thoroughly that great lesson, and then, but not till then, shall we be enabled to control and direct the commerce of the world.

COMMERCIAL LAW.—NO. 29.

MARINE INSURANCE.

(Continued from page 429, vol. 53.)

COLLISION.

Collision is a peril of the sea which may deserve especial notice. In the chapter on shipping, it has been stated that, where a collision is caused by the fault of one of the ships, the ship in fault sustains the whole loss; that is, it must bear its own loss, and must indemnify the other ship for the injury that ship sustains. It has been held that the insurers of the ship in fault are liable for the whole of this loss, because it is all caused by collision, which is a peril of the sea. But the Supreme Court of the United States have recently decided that the insurers are not held for more than the loss *directly* sustained by the ship they insure, that is, *not* for the amount that ship pays to the other ship for injury done to it; because they neither insure the ship not in fault, nor do they insure the owners of the ship in fault against a mere indebtedness which is cast upon them by the negligence of their servants; for negligence can never be the ground of a claim, although it may be no defence against a claim arising from a peril insured against. This view has been adopted and emphatically approved by the Court of Appeals of New York, reversing a decision of the Supreme Court; and this rule now rests on the weight of authority. The question is one of some difficulty; but, upon the whole, we think the rule as now established by the Supreme Court of the Union, and the highest court of our principal mercantile State, rests on the better reason.

The Supreme Court of the United States once confirmed a decision of the Circuit Court for the First Circuit, to the effect, that, where a collision takes place without fault, in a port of which the local law divides the whole loss, (therein opposing the general maritime law,) the insurers of a vessel the owners of which, by this law, were made to pay a large sum beyond their own injury, were liable for it. But this case was exactly opposed to a contemporary decision in the Court of Queen's Bench in England; and its authority has certainly been shaken by the recent decision of the Supreme Court of the United States.

FIRE.

This peril also must come under the common rule, that the insurers

will not be held unless it be caused by something extraordinary, and not belonging to the inherent qualities of the thing which takes fire.

The master and crew may burn a ship and cargo, to prevent their capture by an enemy, for this is their duty to the state; and therefore it would seem that the insurers would be liable for such a destruction by fire, although their policy expressly exempted them from liability for loss by capture, or by war risks generally.

The insurers would be held also for any direct and immediate consequences of the fire; and for loss caused by the endeavor to extinguish it; and, perhaps, for all loss or expense that arose from, or was due to, honest and reasonable efforts to prevent it. It is, indeed, a general rule, that the insurers are liable for the loss or injury which is the natural, direct, and proximate effect of any peril insured against, although the loss itself may be only the effect of a preceding loss; as, if a part of the cargo was burned up, and another part was injured by water used to arrest the fire, the insurers would be liable for both parts.

PIRACY, ROBBERY, OR THEFT.

There can be no piracy or robbery, without violence; but this is not necessary to constitute the crime of theft. Piracy and robbery are most usually committed by strangers to the ship; they may, however, be committed by the crew; and the insurers are answerable for such a loss, unless it arose from the fault of the owner. If theft be committed by the crew, we should still hold those who insured against "theft" liable. This may be doubtful; but insurers regard it as at least possible, and provide against it by the phrase "assailing thieves." This excludes theft without violence, and perhaps all theft by those lawfully on board the vessel, as a part of the ship's company. If, after shipwreck, the property is stolen, the insurers are liable, and might perhaps be so if there were no insurance against theft, if this was a direct effect of the wrecking.

BARRATRY.

This word has given rise to much discussion, and its meaning may not be now positively determined. We understand by it, however, any wrongful act of the master, officers or crew, as any fraud, cheat or trick done by them, or either of them, against the owner. If he directed the act, or consented to it, or by his negligence or default caused it—whether he were actual owner, or apparent or temporary owner by hiring the vessel—it is no barratry. But it is not necessary that it should be done with an intention hostile to him. For an act otherwise barratrous would be none the less so because the committer of it supposed it would be for the advantage of the owner. So, too, the voluntary and unnecessary encounter of any extraordinary peril, although done from a belief that it would be advantageous to the owner, would be a barratrous act; and of course it would be if done by the master for his own benefit. Mere negligence, if gross and extreme, may be barratrous, even if there be no purpose of helping or of hurting any one. And, indeed, the mere not doing of an act may be barratrous, if thereby an injury was sustained which might have been prevented by a proper and reasonable resistance, and therefore should have been so prevented.

It must be an act *against* the owners. Therefore, if the master be a

part owner, he cannot commit barratry. Nor will any act of a master be barratrous which is done by him as supercargo, consignee or factor, or in any capacity or function whatever other than that of master.

Not only is an apparent owner's consent to an act destructive of its barratrous character, but his consent will have this effect, and, on the other hand, the legal owner's will not. Thus, if there be an apparent or temporary owner, as a character who loads and sails her, the master, however, being appointed by the actual owner; if this master commits an act of barratry against the apparent owner, its character is not taken away, and it remains barratrous, although he did it with the consent, or by the order, of the actual or legal owner.

The master being appointed by the owner, and controlled by him, many policies provide that they do not insure against barratry, *if the insured be the owner of the ship.* The purpose of this is obvious; it is to prevent an insurance of the owner against the acts of one for whom the owner ought to hold himself responsible. The effect of the clause is, generally, to limit the insurance against barratry to goods shipped by one who is not owner of the vessel. Still, if a charterer, who filled the ship he hired with his own goods and those of others, insured his freight—meaning the excess of what he would earn over what he must pay—the insurance against barratry would extend to him, and not be prevented by this clause, because he is not the owner of the ship.

As a general rule, the insurers are liable for the misconduct of the crew, when all usual and reasonable precautions have been taken by the owner, and his servant the master, to prevent such misconduct.

CAPTURE, ARREST AND DETENTION.

The phrase which refers to these perils is usually in these words: "Against all captures at sea, or arrests, or detentions of all kings, princes and people." Almost every word of this sentence has been the subject of litigation or of discussion. The provision has been held to apply not only to captures, arrests or detentions by public enemies, by foreign belligerent powers, but to those by the very government of which the insured is himself a subject, *unless* the same be for a breach of the law by the insured. Then the insurers are not liable, because they never are for the consequences of an illegal act of the insured. By the "people" are understood the sovereign power of a state, whatever be its form of government. "Capture" and "seizure" are equivalent; they differ from "detention" in this respect: the two formor words mean a taking with intent to keep; the latter, a taking with intent to restore the property. "Arrest" is any taking possession of the property for any hostile or judicial purpose.

THE GENERAL CLAUSE.

This clause has a very limited operation. We have already remarked, that it is usually restricted to perils of a like kind with those already enumerated; and although this phrase has been declared to be substantial and material, it might be difficult to hold an insurer liable under this clause, when he would not have been liable under any one of the enumerated perils.

Another phrase sometimes used, "against all risks," has been construed very widely, and as if it included every cause of loss except the fraud of the insured. If it stood by itself, it might be difficult to define it; but

if it followed the usual enumeration, we should say that it should be limited by that in its significance and operation, and apply only to things *like* those enumerated.

PROHIBITED TRADE.

This is not the same with contraband trade (which belongs to war), although the words are sometimes used as if they were synonymous. It is perfectly lawful for a ship to break through a blockade if it can, or to carry arms or munitions of war to a belligerent. But then it is perfectly lawful for the state whose enemy is thus aided, to catch, seize, and condemn the vessel that does this, if it can. The vessel takes upon itself this risk; and we have seen that it is not covered by a common policy, unless the purpose is disclosed and permitted. Prohibited trade belongs to a time of peace. It is either trade prohibited by the state to which the ship belongs,—and then it is wholly illegal, and the insurers are not only not answerable under a general policy for a loss occasioned by this breach of law, but an express bargain to that effect would itself be illegal and void; or it may be trade prohibited only by a foreign state. And then it is not an illegal act in the vessel by whose sovereign it is not prohibited. On general principles, we should say that the intention to incur this extra risk should be communicated; because the insurers should be enabled to take it into consideration. But in practice, our policies generally, if not universally, except expressly the risks arising from prohibited trade.

If there has actually been such a trade, and a seizure, forfeiture, and condemnation because of it, the insurers are certainly discharged by the operation of this exception.

If there has been an attempt at such a trade, which was not carried into effect, but the vessel was seized and condemned therefor, according to the laws of the country where the attempt was made, here also we should say that the insurers were discharged.

If, however, the seizure and condemnation were for an alleged trade, or attempt to trade, but there was no justification for the same in fact, the vessel being wholly innocent, such a loss as this would not come under the exception, and the insurers would be liable.

If there be such a trade, or attempt thereto, and no seizure or condemnation, the insurers are not discharged from their liability for an independent loss by this exception.

The parties may always agree to add such risks, or except such, as they choose. And sometimes an excepted risk and one insured against are mingled. If, for example, all war risks and all captures are excepted, and a vessel is stranded upon a foreign and hostile shore, and captured there and condemned, are the insurers liable? Yes, if the vessel would have been lost by the stranding; but not if, so far as this peril went, the owners would have recovered her.

DEVIATION.

As the insurers are entitled to know either from information given them, or from the known course of the trade, what risks they assume, it is obvious that the insured have no right to change those risks, and that if they do, the insurers are not held to the new risk. Such a change of risk is called a deviation; it certainly discharges the insurers; and although

the word originally meant in law what it means commonly, a departure from the proper course of the voyage, any departure from, or change of, the risks insured against. And it discharges the insurers, although it does not increase the risk, as they have a right to stand by the exact bargain they have made. There may be a deviation while the ship is in port; or where the insurance is on time, and no voyage is indicated. And a very slight deviation may suffice to discharge the underwriters.

But no deviation discharges the insurers, or, in the language of the law, no change or risk is a deviation, unless it be voluntary, that is, unless it be made without sufficient necessity. Nor is this necessity determinable altogether by the event; for it must be judged of by the circumstances as they existed at the time, and entered into, or ought to have entered into consideration.

If a deviation is only temporary, it only suspends the liability of the insurers. But it is not temporary, unless after its termination all other risks are precisely what they would have been if there had been no deviation. And this is true of very few deviations indeed, and certainly not of any change of course, even for an hour; for the ship will not be again in the same place, and subject to the very same winds and waves, as she would otherwise have been.

The proper course—a departure from which is a deviation—is always the usual course, provided that be a usage; for a master is not bound to follow their track, wherever one or two have gone before, but must be allowed his own reasonable discretion. If there be no course so well established that every one would be expected to follow it, the master must go to his destined port in the most natural, direct, safe, and advantageous way. And a mere mistake on this point does not constitute a deviation. A deviation from the course marked out by established usage is not, however, excused by a mistake. And if a master, where there is no controlling usage, has made up his mind that a certain course is the best and proper course, and takes another, whether from some motive of his own or by the order of his owner, this is a deviation; because the insurers have a right to the master's best discretion, and to his following it.

An extraordinary and unnecessary protraction of a voyage would be a deviation. But the mere length of the voyage, without other evidence, would not prove this.

Liberty policies, so called, are often made. That is, the insured is expressly permitted to do certain things, which, without such permission, would constitute a deviation. And a large proportion of the cases on the subject of deviation have arisen under these policies. Most of the phrases commonly used have been construed by the courts; and generally quite strictly. A liberty to "enter" a port, or "touch" at a place, permits a ship to go in and come out, but it permits little delay, because for delay the word "stay" or "remain" is necessary. It is said that even to "enter and stop at" gives no liberty to *trade* at the port, but that word itself, or its full equivalent, must be used. Still, the circumstances of each case would influence the court very strongly in construing any such phrase or permission.

It is certain that no permission is necessary for any change of course or risk that is made for the saving of life, or even for the purpose of help-

ing the distressed. Always provided, however, that the change of course, or the delay, was no greater and no longer continued than this cause for it, actually and rationally considered, required. And the rule applies to every case in which it is attempted to justify a deviation on the ground of necessity. It is, however, equally well settled, that a change of course or of risk for the purpose of saving property is a deviation not justified by its cause.

Sometimes it is intended that a ship shall visit many ports, and even go backwards and forwards, at places between the port from which she sails and that at which the voyage is finally to terminate. Such purposes as this are sometimes provided for by a policy on time; and sometimes by express permission to go to, and trade at, certain ports. But there must be no going back and forth unless this also is expressly stated. If not stated, the ports mentioned must be visited in a certain order. If a port is named as one to which the ship will go, to that she must go. If it be only said that she may go to it, she may pass by without entry. If permission be given to enter and stop at a dozen different ports, the vessel may omit any of them, or the whole, but must visit in the proper order all to which she does go.

What this order is, must be determined by the words used, and by the facts, in each case. Generally, if ports are enumerated, they must be visited in the order in which they are mentioned; or if it appears that this was not intended, then in their geographical order, which may not be that which the map indicates, but that settled by the usual course of navigation. Where no final port is designated, it would seem that the ports permitted may be visited in any order; but even here the voyage cannot be unreasonably protracted.

The substitution of a new voyage for that agreed upon is of course a deviation, and one that can seldom or never be justified by any necessity, so as to carry the insurer's liability on the new voyage. If an entirely new voyage is intended, and a vessel sails upon it, but in the same direction in which she would have gone on the insured voyages, the policy never attaches, and the premium is never earned, because the ship never sails on the insured voyage. But if the ship is intended to pursue the insured voyage to its proper terminus, but at a certain point of the voyage to deviate by going into another port, there is no deviation until that point is reached and the deviation actually begun; because it is certain that no mere intention to deviate discharges the insurers until it is carried into execution. Whether the intended deviation was only an intended deviation, or was so great a change of the voyage that the mere intention to make it was an intention to sail on an entirely different voyage, in which case the policy does not attach, would be in every case a question of mixed law and fact. And if it was a part of the intention not to go finally to the proper terminus of the voyage, this would generally, we think, indicate that the old voyage was given up and a new one substituted.

ABSTRACT OF THE REPORT OF THE POSTMASTER GENERAL.

The revenue of the Post-Office Department for the year ending June 30, 1865, was $14,556,158 70, and the expenditures $13,694,728 28, leaving a surplus of $861,430 42. The ratio of increase of revenue over 1863–4

was seventeen per cent, and of expenditure eight per cent. The revenue accumulated in depository and draft offices was $7,136,204 46; collected by Auditor, $2,329,855 08; retained by postmasters for the payment of salaries, $5,090,279 16.

The expenditures for the present fiscal year are estimated at $18,678,000, and the revenues at $16,011,773, being ten per cent increase over last year. It is estimated that an amount equal to fifty per cent of the receipts of 1860, say $758,770, will be received from the Southern States, and adding an appropriation of $700,000 for free matter, will make the total revenues $17,470,543, leaving a deficit of $1,207,457, for which no special appropriation will be required, as there is an unexpended balance of former appropriations amounting to $2,100,000. Special appropriations will be required for steamship service between San Francisco, Japan and China for the first six months of 1867, $250,000; between the United States and Brazil for the eight months of the current year, commencing with November 1, $100,000, and the whole of next year $150,000, making in all $500,000.

	Value.
The number of postage stamps issued during the year was 387,419,455	$17,099,787 50
Stamped envelopes, 25,040,425	724,135 00
Stamped wrappers, 1,165,750	23,315 00
Making in all	$12,847,437 50

—an increase of $1,873,108 over the previous year. The amount sold was $12,399,727 85, being $1,623,138 27 more than the previous year.

The introduction of stamped envelopes bearing a request for the return to the writers of unclaimed letters has considerably increased the sale of envelopes, and such a change in the law is suggested as to allow the return of such letters to the writers free of postage.

As stamped envelopes are cancelled by use it is suggested that the Postmaster General should be authorized in his discretion to furnish them as the separate stamps are now, without reference to the cost of manufacture.

New stamps have been adopted of the denominations of five, ten and twenty-five cents, for prepaying postage on packages of newspapers forwarded by publishers or newsdealers under the authority of law.

The receipts and expenditures of the department from January 1, 1831, to June 30, 1865, have been as follows:

Aggregate receipts	$200,311,894 47
Aggregate expenditures	244,748,881 59
Deficit	$44,436,987 12
Averaging annually:	
Receipts	$5,806,141 87
Expenditures	7,094,170 48
Deficit	$1,288,028 61

The mail service in operation on 30th June, 1865, embraced 6,012 routes, of the aggregate length of 142,340 miles, costing $6,246,884, (exclusive of compensation to route and other agents, amounting to $556,602 75).

Railroad, 23,401 miles, costing	$2,707,421
Steamboat, 13,088 miles, costing	3.9,598
Celerity, etc., 105,851 miles, costing	3,179,865

The aggregate miles of transportation were 57,993,494:

Railroad	24,087,568
Steamboat	2,444,696
Celerity, etc	31,461,430

The cost per mile for transportation by railroad was 11¼ cents; steamboat, 14¼ cents; celerity, etc., 10 cents. The increased length of routes was 3,168 miles; of transportation, 1,678,137 miles, and of cost, $428,415.

The mail service from Lincoln to Portland, and from Missouri to California, has been a source of much vexation to the department. The former service was performed in 1864 by the California Stage Company for $90,000. The same company were the only bidders for continuing the service for 1866–68, (their bids being $250,000 per annum, which was accepted only for the year ending June 30, 1865, and new proposals issued for the balance of the period, when the same company were the only bidders, at $300,000 per annum, and the department was compelled to compromise with them at $225,000 per annum for 1865–66, or abandon the service. Better service is anticipated the present year on the Overland route.

Railway post-offices have been established on several leading railroads, and arrangements are in progress for their introduction on other lines.

The number of routes ordered into operation in States lately in rebellion is 241; their length, 18,640¼ miles, and compensation $721,949—a reduction, compared with former cost of service in those States, of $881,109 per annum. This, however, will be considerably increased, but the aggregate will be much below the cost of former years. Proposals have already been invited for carrying the mails in all of the Southern States.

The aggregate postages, sea, inland and foreign, upon the correspondence exchanged with foreign countries, amounted to $1,819,928 56; of which amount $1,449,530 76 accrued on the mails exchanged with Great Britain, France, Prussia, Bremen, Hamberg and Belgium; $275,197 06 on the mails exchanged with the British North American Provinces, and $95,200 74 on the mails transmitted to and from the West Indies, Central and South America.

The cost of the United States trans-Atlantic service performed by steamships receiving the sea-postage only was $405,479 56. Of this amount $213,330 23 was earned by the New York, Queenstown and Liverpool (Dale) line; $71,106 70 by the Canadian line; $73,273 11 by the New York, Southampton and Bremen, and $47,769 52 by the New York, Southampton and Hamburg lines, respectively.

No progress has been made in the negotiations of postal conventions with European countries on the basis of the resolutions adopted at the Paris international postal conference.

The contract for the mail steamship service to Japan and China was awarded, on the 28th of August last, to the Pacific Mail Steamship Company at $500,000 for twelve round trips per annum, between San Francis-

co and Hong Kong, touching on the outward and homeward passages, to land and receive mails, at the port of Honolulu, and Kanagawa, Japan. The company are to build four first-class steamships, of from 3,500 to 4,000 tons burden each, government measurement, and commence the service on or before the 1st of January, 1867.

Many interesting details are presented in relation to the ocean mail service, and the system of making such service self-sustaining by limiting the land postage when the conveyance is by an American, and to the sea postage only when by a foreign vessel, is strongly commended. Congress may be called upon to subsidize certain new lines, but generally the results on both new and old lines are encouraging. On some new lines, established since the war, less than the postage are allowed.

The number of post offices established on 30th June, 1865, including suspended offices in Southern States, was 28,882; number subject to appointment by the President, 712; by the Postmasser General, 28,170.

New offices established during the year, 586; offices discontinued, 582, changes of names and sites, 200.

The appointments made during the year number 5,447, of which 3,575 were to supply rerignations; removals, 925; deaths 220, and new offices 586.

The number of offices in the late disloyal States is 8,902, of which 1,051 were re-opened on November 15, 1865.

Number of route agents, 307; aggregate compensation, $229,522; local agents, 51; aggregate compensation, $30,949; baggage-masters, 110; aggregate compensation, $6,600; postal railway clerks, 64; aggregate compensation, $75,000.

The free-delivery system has been discontinued at 22 of the smaller offices, and is now in operation in 45 of the principal cities. The number of carriers employed was 757, at an aggregate compensation of $448,664 51.

The number of dead letters received, examined, and disposed of was 4,368,087, an increase of 859,262 over the previous year.

The number containing money, and remailed to owners, was 42,154, with enclosures amounting to $244,373 97. Of these, 35,268, containing $210,954 90, were delivered, leaving 6886 undelivered, with enclosures of the value of $33,410 07. The number containing sums less than one dollar was 16,700, amounting to $4,647 63, of which 12,698, containing $3577 62, were delivered to the writers.

The number of letters containing checks, bills of exchange, deeds, and other papers of value, was 15,304, with a nominal value of $3,929,888, of which 13,746, containing $3,346,149, were delivered, leaving unclaimed 1,558, of the value of $83,739.

The number containing photographs, jewelry, and miscellaneous articles was 69,902. Of these, 41,600 were delivered, and 28,202 remain for disposal, or, being worthless, have been destroyed. The number of valuable letters sent out was 107,979; an increase of 38,792 over previous year.

The number of letters conveyed in the mails during 1865 is estimated at 467,501,600. Of these, 4,368,087 were returned to the dead letter office. including 566,097 army and navy letters. Deducting 1.156,401 letters returned to writers, or hel das valuable, the total number lost or destroyed was 2,352,424, or one in every two hundred mailed for transmission and delivery.

The number of postal money-order offices is 419, and orders have been issued for putting 55 additional offices into operation. The number of money-orders issued during the year was 74,277 of the value of $1,360,122 52.

The Postmaster General suggests that the law would be improved by extending the time within which the order may be paid to six months, the period now allowed, of ninety days, being too limited for the necessary correspondence between distant points.

Balances were due from Southern postmasters at the outbreak of the rebellion amounting to 1,329,027 87, few of which have been paid. Means are being employed to collect these balances.

The subjoined table illustrates the misapplication of the postal fund, the aggregate excess of pay over receipts being $1,185,819:

Routes.	Pay.	Receipts.
Salt Lake City to Folsom	$385,000 00	$23,964 44
Atchison to Salt Lake	865,000 00	
Kansas City to Santa Fe	35,743 00	6,536 57
Lincoln to Portland	225,000 00	24,791 67
The Dalles to Salt Lake	186,000 00	5,660 77
Total	1,196,743 00	60,923 45

In conclusion, the report calls attention to the remarkable fact of the increase of postal correspondence in the loyal States during the rebellion. The maximum annual receipts of the department previous to the rebellion from all the States was $8,518,067 40, which was exceeded in the sum of $6,038,091 30 by the receipts of the last year from the loyal States alone. The revenues during the last four years amounted to $46,458,022 97, an average of $11,614,505 74 per annum. Compared with the receipts of the four years immedirtely preceding which amounted to $32,622,640 73, the annual average increase of revenue was $3,533,845 56 which has not resulted, from any considerable additions to the service, the ratio of receipts to expenditures having been larger than, with few exceptions, at any previous period. A proper regard to economy in administration aided by larger contributions from all the States of the Union, will enable the department to increase its usefulness from year to year in all of its legitimate functions.

REPORT OF THE SECRETARY OF THE TREASURY.

We have not room to give entire the excellent report of the Secretary of the Treasury, but publish below the greater portion of it. He discusses at length the financial questions embracing the Currency, the Public Debt, and the Revenue.

In speaking of the currency he says, that the right of Congress, at all times, to borrow money, and to issue obligations for loans in such form as may be convenient, is unquestionable; but their authority to issue obligations for a circulating medium as money, and to make these obligations a legal tender, can only be found in the unwritten law which sanctions whatever the representatives of the people, whose duty it is to maintain the Government against its enemies, may consider in a great emergency necessary to be done. The present legal-tender acts were war measures, and while the repeal of those provisions which made the United States notes lawful money is not now recommended, the Secretary is of the opinion that they ought not to remain in force one day longer than shall be necessary to enable the people to prepare for a return to the constitutional currency.

After answering the reasons urged in favor of retaining the United States notes as a Government currency the Secretary states that in speaking of the legal-tender acts, reference has only been made to those which authorized the issue of United States notes. The interest-bearing notes which are a legal tender for their face value, were intended to be a security rather than a circulating medium, and it would be neither injurious to the public, nor an act of bad faith to the holders for Congress to declare that, after their maturity, they shall cease to be a legal tender, while such a declaration would aid the Government in its efforts to retire them, and is therefore recommended.

CONTRACTION AND ITS EFFECTS.

The rapidity with which the Government notes can be withdrawn will depend upon the ability of the Secretary to dispose of securities. The influences of funding upon the money market will sufficiently prevent their too rapid withdrawal. The Secretary, however, believes that a decided movement towards a contraction of the currency is not only a public necessity, but that it will speedily dissipate the apprehension which very generally exists, that the effect of such a policy must necessarily be to make money scarce and to diminish the prosperity of the country.

It is a well-established fact, which has not escaped the attention of all intelligent observers, that the demand for money increases (by reason of an advance of prices) with the supply, and that this demand is not unfrequently most pressing when the volume of currency is the largest and inflation has reached the culminating point. Money being an unprofitable article to hold, very little is withheld from actual use, and in proportion to its increase prices advance; on the other hand a reduction of it reduces prices, and as prices are reduced the demand for it falls off; so that, paradoxical as it may seem, a diminution of the currency may in fact increase the supply of it.

Nor need there be any apprehension that a reduction of the currency—unless it be a violent one—will injuriously affect real prosperity. Labor is the great source of national wealth, and industry invariably declines on an inflated currency. The value of money depends upon the manner in which it is used. If it stimulates productive industry, it is a benefit, and to the extent only to which it does this is it a benefit. If, on the other hand, it diminishes industry, and to the extent to which it diminishes it, it is an evil. Even in the form of the precious metals, it may not prove to be wealth to a nation. The idea that a country is necessarily rich in proportion to the amount of gold or silver which it possesses, is a common and natural, but an erroneous one, while the opinion that real prosperity is advanced by an increase of paper money beyond what is absolutely needed as a medium for exchanges of real values, is so totally fallacious, that few sane men entertain it whose judgment is not clouded by the peculiar financial atmosphere which an inflation is so apt to produce.

An irredeemable paper currency may be a necessity, but it can scarcely fail if long continued, to be a calamity to any people. Gold and silver are the only proper measure of value. They have been made so by the tacit agreement of nations, and are the necessary regulator of trade, the medium by which balances are settled between different countries and between sections of the same country. As a universal measure of value, they are a commercial necessity. The trade between different nations and between sections of the same country is carried on by an exchange of commodities, but is never equally balanced by them; and unless credits are being established, the movements of coin unerringly indicate on which side the balance exists.

The Secretary then shows that an inflated currency stimulates speculation, decreases production, and must result, if continued, in ruin.

There are no indications of real and permanent prosperity in our large importations of foreign fabrics; in the heavy operations at our commercial marts; in the splendid fortunes reported to be made by skillful manipulations at the gold room or the stock board; no evidences of increasing wealth in the facts that railroads and steamboats are crowded with passengers, and hotels with guests; that cities are full to overflowing, and rents and the prices of the necessaries of life, as well luxuries are daily advancing. All these things prove rather that a foreign debt is being created, that the number of non-producers is increasing, and that productive industry is being diminished. There is no fact more manifest than that the plethora of paper money is not only undermining the morals of the people by encouraging waste and

extravagance, but is striking at the root of our material prosperity by diminishing labor. The evil is not at present beyond the control of legislation, but is daily increasing, and, if not speedily checked, will, at no distant day, culminate in wide spread disaster. The remedy, and the only remedy within the control of Congress, is, in the opinion of the Secretary, to be found in the reduction of the currency.

AMOUNT OF OUR CURRENCY.

The paper circulation of the United States, on the 31st of October last, was substantially as follows:

1. United States notes and fractional currency	$454,218,088 20
2. Notes of the National Banks	185,000,000 00
3. Notes of State Banks, including outstanding issues of State Banks converted into National Banks	65,000,000 00
	$704,218,088 20

The amount of notes furnished to the National Banks up to and including the 31st of October was a little over $205 000,000, but it is estimated that $20,000,000 of these had not then been put into circulation.

In addition to the United States notes, there were also outstanding $32,536,900 five per cent Treasury notes, and $173,012,140 compound interest notes, of which it would, doubtless, be safe to estimate that $30,000,000 were in circulation as currency.

From this statement, it appears that, without including seven and three-tenths notes, many of the small denominations of which were in circulation as money, and all of which tend in some measure to swell the inflation, the paper money of the country amounted on the 31st of October, to the sum of $734,218,088 20, which has been daily increased by the notes since furnished to the National Banks, and is likely to be still further increased by those to which they are entitled, until the amount authorized by law ($800,000,000) shall have been reached, subject to such reduction as may be made by the withdrawal of the notes of the State banks.

The following is a statement of the bank note circulation of the country at various periods of highest and lowest issues prior to the war:

1830, January		$61,324,000	1856, January		$195,747,650
1835	"	103,692,495	1857	"	214,778,822
1836	"	140,301,038	1858	"	155,208,344
1837	"	149,185,890	1860	"	207,102,000
1843	"	58,564,000			

It will be noticed by this statement that the bank note circulation of the United States increased from $61,324,000 to $149,185,890 between the 1st of January, 1830, and the 1st of January, 1837, in which latter year the great financial collapse took place; fell from $149,185,890 in 1837, to $58,564,000 in 1843, and rose to $214,778,822 on the 1st of January, 1857, in which year the next severe crisis occurred; falling during that year to $155,208,344, and rising to $207,102,000 on the 1st of January, 1860.

The following is a statement of bank deposits and loans in the same years:

Years.	Deposits.	Loans.	Years.	Deposits.	Loans.
1830, Jan. 1	$55,560,000	$200,451,000	1856, Jan. 1	$212,706,000	$634,183,000
1835 "	83,081,000	365,163,000	1857 "	230,351,000	684,456,000
1836 "	115,104,000	457,506,000	1858 "	185,932,000	583,165,000
1837 "	127,397,000	525,115,000	1860 "	253,802,000	691,945,000
1843 "	56,168,000	254,544,000			

On the 30th of September, the date of their last quarterly reports, the deposits and loans of the National Banks (the Secretary has no reliable returns of these items from the few remaining State banks) were as follows:

Deposits, Individual and Government		$544,150,194
Loans	$485,314,029	
To which should be added—		
Investments in U. S. bonds and other United States securities	427,731,600	
		$913,045,629

These figures are a history in themselves, exhibiting not only the past and present condition of the country, in matters of exceeding interest, but indicating unerringly the dangerous direction in which the financial current is sweeping.

EFFECTS OF INFLATION.

On the 1st of January of the memorable year 1837, the bank note circulation of the United States was $149,185,890, the deposits were $127,897,000, the loans

$525,115,000. In January, 1857, the year of the next great crisis, the circulation was $214 778.822, the deposits were $230,351,000, the loans $684,456,000. There are no statistics to exhibit the amount of specie actually in circulation in those periods, but it would be a liberal estimate to put it at $30,000,000 for 1837, and $50,000,000 for 1857.

These were years of great inflation, the effects of which have been already referred to—the revulsion of 1837 not only producing great immediate embarrassment, but a prostration which continued until 1843, at the commencement of which year the bank note circulation amounted only to $58,564,000, deposits to $56,168,000, loans $254,544,000—flour having declined in New York from $10 25 per barrel on the 1st of January, 1837, to $4 69 on the 1st of January, 1843, and other articles, in about the same proportion.

The reaction in 1857 was severe, but, for the reason before stated less disastrous and protracted

On the 30th of September last, the deposits of the National Banks alone amounted to $544,150,194; their loans—estimating their national securities as a loan to the Government—to $918,045,629; both of which items must have been increased during the month of October; while on the 31st of that month the circulation, bank and national, had reached the startling amount of upwards of $700,000,000. Nothing beyond this statement is required to exhibit the present inflation or to explain the causes of the current and advancing prices. If disaster followed the expansions of 1837 and 1857, what must be the consequences of the present expansion unless speedily checked and reduced!

CONTRACTION.

Before concluding his remarks upon this subject, it may be proper for the Secretary, even at the expense of repetition, to notice briefly some of the popular and plausible objections to a reduction of the currency.

First. That, by reducing prices it would operate injuriously, if not disastrously, upon trade, and be quite likely to precipitate a financial crisis.

To this it may be replied, that prices of articles of indispensable necessity are already so high as to be severely oppressive to consumers, especially to persons of fixed and moderate incomes and to the poorer classes. Not only do the interests, but the absolute necessities of the masses require that the prices of articles needed for their use should decline.

Nor is there any reason to apprehend, by any policy that Congress may adopt, so rapid a reduction of prices as to produce very serious embarrassment to trade. The Government currency can only, to any considerable extent, be withdrawn by a sale of bonds, and the demand for bonds will be so affected by the state of the market that a rapid contraction will be difficult, if not impossible, even if it were desirable. There is more danger to be apprehended from the inability of the Government to reduce its circulation rapidly enough, than from a too rapid reduction of it. It is, in part, to prevent a financial crisis, that is certain to come without it, that the Secretary recommends contraction. Prices are daily advancing. The longer contraction is deferred, the greater must the fall eventually be, and the more serious will be its consequences. It is not expected that a return to specie payments will bring prices back to the standards of former years. The great increase of the precious metals and high taxes will prevent this; but this consideration makes it the more important that all improper and unnecessary influences in this direction should be removed

Again it is urged, that a contraction of the currency would reduce the public revenues

It is possible that this might be the immediate effect, but it would be temporary only. The public revenues depend upon the development of our national resources, upon our surplus productions; in other words, upon labor. The revenues derived from transactions based upon a false standard of value, or from interests that can only flourish in speculative times, are not those upon which reliance can be placed for maintaining the public credit. What a healthy and reliable business requires is a stable basis. This it can not have as long as the country is afflicted with an inconvertible currency, the value of which, as well as the value of the vast property which is measured by it, is fluctuating and unreliable, and may be in no small degree controlled by speculative combinations.

It is also urged that the proposed policy would endanger the public credit, by preventing funding; and that it would compel the Government and the people, who are in debt, to pay in a dearer currency than that in which their debts were contracted.

The Secretary is unable to perceive any substantial ground for this objection. He cannot understand how the process of funding is likely to be aided by the continuance of prices on their present high level, or how the credit of the Government is to be restored by the perpetuation of an irredeemable currency, especially as that currency consists largely of its own notes. While it is hoped that early provision will be made for the commencement of the reduction of the national debt, an early payment of it is not anticipated. Nor is it understood that those who are apprehensive of the effects of contraction, entertain the opinion that the present condition of things should be continued until any considerable portion of this debt shall be paid.

So far as individual indebtedness is regarded, it may be remarked, that the people of the United States, if not as free from debt as they were six months ago, are much less in debt than they have been in previous years, and altogether less than they will be when the inevitable day of payment comes round, if the volume of paper money is not curtailed. A financial policy which would prevent the creation of debts and stimulate the payment of those already existing, so far from being injurious, would be in the highest degree beneficial.

It is further urged that a reduction of the Government notes would embarrass the National Banks, if it did not force many of them into liquidation.

To which it may be said, that it is better that the banks should be embarrassed now than bankrupted hereafter. Their business and their customers are now under their control. What will be their condition in these respects if the expansion continues and swells a year or two longer, it is not difficult to predict. While there has been no unhealthy expansion of credits in the United States for which the banks have not been largely responsible, there has been none by which they have not been ultimately the losers. Unless their sentiments are misunderstood by the Secretary, the conservative bankers of the country are quite unanimously in favor of a curtailment of the currency, with a view to an early return to specie payments.

Again: It is said that the excessive bank deposits have as much influence in creating and sustaining high prices as a superabundant currency. This is unquestionably true; but it is also true that excessive deposits are the effects of excessive currency, and that whenever the currency is reduced there will be, at least, a corresponding, if not a greater reduction of deposits.

The last objection which will be noticed to the measure recommended is, that it would, by reducing the rate of foreign exchange, reduce exports and increase imports.

It is doubtless true that a high rate of exchange did for a time increase the exportation of our productions, and diminish the importation of foreign articles, but this advantage was much more than counterbalanced by the largely increased expenses of the government and of the people, resulting from the very cause that produced the high rate of exchange. Besides, this apparent advantage no longer exists. The advance of prices in the United States, notwithstanding the continued high rate of European Exchange, is now checking exports and inviting imports, and is creating a balance in favor of Europe that is likely to be the greatest obstacle in the way of an early resumption of specie payments. Nor must it be forgotten, that while the export of our productions was stimulated by the high rate of exchange, this very high rate of exchange enabled Europe to purchase them at exceedingly low prices.

Unless an unusual demand for our products is created in Europe by extraordinary causes, it will be ascertained, by reference to the proper tables, that our imports increase, and our exports diminish, under the influence of a redundant currency. But reference to figures is hardly necessary to substantiate this proposition. It is substantiated by the statement of it. A country in which high prices prevail is an inviting one for sellers, but an uninviting one for purchasers. Such a country is unfortunately the United States at the present time. In order, however, that there may be no misapprehension on this point, the attention of Congress is respectfully called to a clear and interesting paper from Dr. Elder, statistician of this Department, accompanying this report.

Every consideration, therefore, that has been brought to the mind of the Secretary confirms the correctness of the views he has presented. If the business of the country rested upon a stable basis, or if credits could be kept from being still further increased, there would be less occasion for solicitude on this subject. But such is not

the fact. Business is not in a healthy condition; it is speculative, feverish, uncertain. Every day that contraction is deferred increases the difficulty of preventing a financial collapse. Prices and credits will not remain as they are. The tide will either recede or advance; and it will not recede without the exercise of the controlling power of Congress.

POLICY RECOMMENDED.

The Secretary, therefore, respectfully but earnestly recommends—

First. That Congress declare that the compound interest notes shall cease to be a legal tender from the day of their maturity.

Second That the Secretary be authorized, in his discretion, to sell bonds of the United States, bearing interest at a rate not exceeding six per cent, and redeemable and payable at such periods as may be conducive to the interests of the Government, for the purpose of retiring not only compound interest notes, but the United States notes.

It is the opinion of the Secretary, as has been already stated, that the process of contraction cannot be injuriously rapid; and that it will not be necessary to retire more than one hundred, or, at, most, two hundred millions of United States notes, in addition to the compound notes, before the desired result will be attained. But neither the amount of reduction, nor the time that will be required to bring up the currency to the specie standard, can now be estimated with any degree of accuracy. The first thing to be done is to estblish the policy of contraction. When this is effected, the Secretary believes the business of the country will readily accomodate itself to the proposed change in the action of Government, and that specie payments may be restored without a shock to trade, and without a diminuition of the public revenues or of productive industry.

At the close of a great war, which has been waged on both sides with a vigor and energy, and with an expenditure of money, without a precedent in modern times, the people of the United States are encumbered with a debt which requires the immediate and careful consideration of their representatives.

The debt is large, but if kept at home, as it is desirable it should be, with a judicious system of taxation it need not be oppressive It is, however, a debt. While it is capital to the holders of the securities, it is still a national debt, and an encumbrance upon the national estate. Neither its advantages nor its burdens are or can be shared or borne equally by the people Its influences are anti-republican. It adds to the power of the Executive by increasing Federal patronage. It must be distasteful to the people because it fills the country with informers and tax-gatherers. It is dangerous to the public virtue, because it involves the collection and disbursement of vast sums of money, and renders rigid national economy almost impracticable. It is, in a word, a national burden, and the work of removing it—no matter how desirable it may be for individual investment—should not be long postponed.

As all true men desire to leave their heirs unencumbered estates, so should it be the ambition of the people of the United States to relieve their descendants of this national mortgage. We need not be anxious that future generations shall share the burdens with us. Wars are not at an end, and posterity will have enough to do to take care of the debts of their own creation.

Various plans have been suggested for the payment of the debt, but the Secretary sees no way of accomplishing it but by an increase of the national income beyond the national expenditures. In a matter of so great importance as this experiments are out of place. The plain beaten path of experience is the only safe one to tread.

The first step to be taken is to institute measures for funding the obligations that are soon to mature. The next is to provide for raising, in a manner the least odious and oppressive to tax-payers, the revenues necessary to pay the interest on the debt, and a certain definite amount annually for the reduction of the principal. The Secretary respectfully suggests that on this subject the expression of Congress should be decided and emphatic. It is of the greatest importance in the management of a matter of so surpassing interest that the right start should be made. Nothing but revenue will sustain the national credit, and nothing less than a fixed policy for the reduction of the public debt will be likely to prevent its increase.

THE ASURY STATEMENT.

On the 31st day of October, 1865, since which time no material change has taken

place, the public debt, without deducting funds in the Treasury, amounted to $2,808,549,437 55, consisting of the following items:

Bonds, 10-40's 5 per cent, due in 1904	$172,770,100 00	
Bonds, Pacific Railroad, 6 per cent, due in 1895	1,258,000 00	
Bonds, 5-20's, 6 per cent, due in 1882, 1884, and 1885	659,259,600 00	
Bonds, 6 per cent, due in 1881	265,347,400 00	
Bonds, 5 per cent, due in 1880	18,415,000 00	
Bonds, 5 per cent, due in 1874	20,000,000 00	
Bonds, 5 per cent, due 1871	7,022,000 00	
		$1,144,072,100 00
Bonds, 6 per cent, due in 1868	8,908,341 80	
Bonds, 6 per cent, due in 1867	9,415,250 00	
Compound interest notes, due in 1867 and 1868	173,012,141 00	
7-30 Treasury notes, due in 1867 and 1868	830,000,000 00	
		1,021,335,732 80
Bonds, Texas indemnity, pas due	760,000 00	
Bonds, Treasury notes, &c., past due	618,920 09	
		1,378,920 09
Temporary loan, ten days' notice	99,107,745 46	
Certificates of indebtedness, due in 1866	55,905,000 00	
Treasury notes, 5 per cent, Dec. 1, 1865	32,536,901 00	
		187,549,646 46
United States notes	428,160,569 00	
Fractional currency	26,057,469 20	
		454,218,038 20
		$2,808,549,437 55

The following is a statement of receipts and expenditures for the fiscal year ending June 30, 1865:

Balance in Treasury agreeably to warrants, July 1, 1864		$96,739,905 73
Receipts from loans applicable to expenditures	$864,863,499 17	
Receipts from loans applied to payment of public debt	607,361,241 68	
		1,472,224,740 85
Receipts from customs	84,928,260 60	
Receipts from lands	996,553 31	
Receipts from direct tax	1,200,573 03	
Receipts from internal revenue	209,464,215 25	
Receipts from miscellaneous sources	32,978,284 47	
		329,567,886 66
		$1,898,532,533 24

EXPENDITURES.

Redemption of public debt		$607,361,241 68
For the civil service	$44,765,558 12	
For pensions and Indians	14,258,575 38	
For the War Department	1,031,328,260 79	
For the Navy Department	122,567,776 12	
For interest on public debt	77,397,712 00	
		1,290,312,982 41
		1,897,674,224 09
Leaving a balance in the Treasury on the 1st day of July, 1865, of		$858,309 15

The following statement exhibits the items of increase and decrease of the public debt for the fiscal year 1865:

Amount of public debt June 30, 1865	$2,682,593,026 53
Amount of public debt June 30, 1864	1,740,690,489 49
Total increase	$941,902,537 04

Which increase was caused as follows:

Bonds, 6 per cent, acts July 17, 1861	29,799,500 00	
Bonds, 6 per cent, act Feb. 25, 1862	4,000,000 00	
Bonds, 6 per cent, act March 3, 1863	32,827,726 66	
Bonds, 6 per cent, act June 30, 1864	91,789,000 00	
		$157,916,226 66
Bonds, 5 per cent, act March 3, 1864		99,432,350 00
Bonds, 6 per cent, acts July 1, 1862, and July 2, 1864, issued to Central Pacific Railroad Company, interest payable in lawful money		1,258,000 00
Treasury notes, 7-30, acts June 30, 1864, and March 3, 1865, interest payable in lawful money		671,610,400 00
Compound Interest notes, 6 per cent, act June 30, 1864	$178,756,080 00	
Temporary loan, 6 per cent, act July 11, 1862	17,386,869 96	
		196,142,949 96
United States notes, acts Feb. 25, 1862, July 11, 1862, and January 17, 1863		1,509,295 16
Fractional currency, act March 3, 1863		7,363,098 85
Gross increase		$1,135,232,320 68

From which deduct for payments—

Bonds, 6 per cent, act July 21, 1842	$1,400 00	
Treasury notes, 6 per cent, acts Dec. 23, 1857, and March 2, 1861	158,800 00	
Bonds, 5 per cent, act Sept. 9, 1850, (Texas indemnity)	1,307,000 00	
Treasury notes, 7-30, act July 17, 1861	30,212,800 00	
Certificates, of indebtedness, 6 per cent, act March 1, 1862	44,957,000 00	
Treasury notes, 5 per cent, one and two-year, act March 3, 1863	111,192,740 00	
United States notes, act July 17, 1861, and Feb. 12, 1862	308,306 25	
Postal currency, act July 17, 1862	5,252,147 34	
		193,329,783 59
Net increase		941,902,537 04

In the report of the Secretary for the year 1864, there was excluded from the public debt the sum of $77,897,347 02, which amount had been paid out of the Treasury, but had not been reimbursed to the Treasurer by warrants, and was not reimbursed until after the commencement of the next fiscal year. This explains the difference between $18,842,558 71, assumed in that report as the balance in the Treasury July 1, 1864, and $96,739,905 73, the balance according to the warrant account, as above stated.

The following is a statement of the receipts and expenditures for the quarter ending September 30, 1865:

Balance in Treasury, agreeable to warrants, July 1, 1865		858,309 15
Receipts from loans applicable to expenditures	138,773,097 22	
Receipts from loans applied to payment of public debt	138,409,163 35	
		277,182,260 57
Receipts from customs	47,009,583 03	
Receipts from lands	132,890 63	
Receipts from direct tax	31,111 30	
Receipts from internal revenue	96,618,885 65	
Receipts from miscellaneous sources	18,393,729 94	
		162,186,200 55
		440,226,770 27

EXPENDITURES.

For the redemption of public debt	138,409,163 35	
For the civil service	10,571,460 99	
For pensions and Indians	6,024,241 86	
For the War Department	165,369,287 32	
For the Navy Department	16,520,669 81	
For interest on the public debt	36,173,431 50—	373,068,254 83
Leaving a balance in Treasury on the 1st day of October, 1865, of		67,158,515 44

The Secretary estimates that the receipts for the remaining three quarters of the year ending June 30, 1866, will be as follows:

Balance in Treasury October 1, 1865		67,158,515 44
Receipts from customs	100,000,000 00	
Receipts from lands	500,000 00	
Receipts from internal revenue	175,000,000 00	
Receipts from miscellaneous sources	30,000,000 00—	305,500,000 00
		372,658,515 44

The expenditures, according to the estimates, will be:

For the civil service	32,994,052 38	
For pensions and Indians	12,256,790 94	
For the War Department	307,788,750 57	
For the Navy Department	35,000,000 00	
For interest on public debt	96,813,868 75—	484,853,462 64
Deficiency		112,194,947 20

The receipts for the year ending June 30, 1867, are estimated as follows:

From customs	100,000,000 00	
From internal revenue	275,000,000 00	
From lands	1,000,000 00	
From miscellaneous sources	20,000,000 00—	396,000,000 00

The expenditures, according to the estimates, will be:

For the civil service	42,165,599 47	
For pensions and Indians	17,609,640 23	
For the War Department	89,017,416 18	
For the Navy Department	43,982,457 50	
For the interest on the public debt	141,542,068 50	
		284,317,181 88
Leaving a surplus of estimated receipts over estimated expenditures, of		111,682,818 12

The debt of the United States was increased during the fiscal year ending June 30, 1865, $941,902,537 04, and during the first quarter of the present fiscal year $138,778,097 22. The Secretary has, however, the satisfaction of being able to state that during the months of September and October the public debt was diminished to the amount of about thirteen millions of dollars.

If the expenditures of the remaining three quarters of the present fiscal year shall equal the estimates, there will be a deficiency, to be provided for by loans, of $112,194,947 20, to which must be added $82,586,901 for the five per cent. Treasury notes (part of the public debt), which become due the present month, and are now being paid out of moneys in the Treasury, and all other payments which may be made on the public debt.

The heavy expenditure of the last fiscal year, and of the months of July and August of the present fiscal year, are the result of the gigantic scale on which the war was prosecuted during a portion of this period, and the payment of the officers and men mustered out of the service. The large estimates of the War Department for the rest of the year are for the payment of troops which are to remain in the service, and of those which are to be discharged, and for closing up existing balances.

The statement of the probable receipts and expenditure for the next fiscal year is in the highest degree satisfactory. According to estimates which are believed to be reliable, the receipts of that year will be sufficient to pay all current expenses of the Government, the interest on the public debt, and leave the handsome balance of $111,682,818 12 to be applied toward the payment of the debt itself.

By the statement of the public debt on the 31st of October, it appears that, besides the compound interest, the United States, and the fractional notes, the past-due debt amounted to $1,378,920 09
The debt due in 1865 and 1866 to 187,549,643 46
The debt due in 1867 and 1868 to 848,323,591 80

During the month of October about $50,000,000 of the compound interest notes were funded in 5-20 six per cent. bonds under the provisions of the act of March 3, 1865.

The Secretary would be gratified if the Treasury could be put at once in a condition to obviate the necessity of issuing any more certificates of indebtedness, or raising money by any kind of temporary loans; but he may, for a short period, be obliged to avail himself of any means now authorized by law for meeting current expenses and other proper demands upon the Treasury.

Of the debt falling due in 1867 and 1868, $830,000,000 consist of 7 3-10 notes. It may be regarded as premature to fund any considerable amount of these notes within the next year; but in view of the fact that they are convertible into bonds only at the pleasure of the holders, it will be evidently prudent for Congress to authorize the Secretary, whenever it can be advantageously done, to fund them in advance of their maturity.

FURTHER POWERS ASKED BY THE SECRETARY.

The Secretary has already recommended that he be authorized to sell bonds of the United States, bearing interest at a rate not exceeding six per cent., for the purpose of retiring Treasury notes and United States notes. He further recommends that he be authorized to sell in his discretion, bonds of a similar character to meet any deficiency for the present fiscal year, to reduce the temporary loan by such an amount as he may deem advisable, to pay the certificates of indebtedness as they mature, and also to take up any portion of the debt maturing prior to 1869 that can be advantageously retired. It is not probable that it will be advisable, even if it could be done without pressing them upon the market, to sell a much larger amount of bonds within the present or the next fiscal year than will be necessary to meet any deficiency of the Treasury, to pay the past-due and maturing obligations of the Government, and a part of the temporary loan, and to retire an amount of the compound interest notes and United States notes sufficient to bring back the business of the country to a healthier condition. But no harm can result from investing the Secretary with authority to dispose of bonds, if the condition of the market will justify it, in order to anticipate the payment of those obligations that must soon be provided for.

When the whole debt shall be put in such a form that the interest only can be demanded until the Government shall be in a condition to pay the principal it can be easily managed. It is undeniably large, but the resources of the country are even now ample to carry and gradually to reduce it; and with the labor question at the South settled on terms just to the employer and to the laborer, and with entire harmony be-

tween the different sections, it will be rapidly diminished, in burden and amount, by the growth of the country, without any increase of taxation.

After careful reflection the Secretary concludes that no act of Congress (except for raising the necessary revenue) would be more acceptable to the people, or better calculated to strengthen the national credit, than one which should provide that two hundred millions of dollars, commencing with the next fiscal year, shall be annually applied to the payment of the interest and principal of the national debt. The estimates for the next fiscal year indicate that a very much larger amount could be so applied without an increase of taxes.

Before concluding his remarks upon the national debt, the Secretary would suggest that the credit of the five-twenty bonds issued under the acts of Feb. 25, 1862, and June 30, 1864, would be improved in Europe, and, consequently, their market value advanced at home, if Congress should declare that the principal, as well as the interest of these bonds is to be paid in coin. The policy of the Government in regard to its funded debt is well understood in the United States, but the absence of a provision in these acts that the principal of the bonds issued under them should be paid in coin, while such a provision is contained in the act under which the ten-forties were issued, has created some apprehension in Europe that the five-twenty bonds might be called in at the expiration of five years, and paid in United States notes. Although itis not desirable that our securities should be held out of the United States, it is desirable that they should be of good credit in foreign markets on account of the influence which these markets exert upon our own. It is, therefore, important that all misapprehensions on these points should be removed by an explicit declaration of Congress that these bonds are to be paid in coin.

TAXATION OF GOVERNMENT BONDS.

In view of the fact that the exemption of Government securities from State taxation is by many persons considered an unjust discrimination in their favor, efforts may be made to induce Congress to legislate upon the subject of their taxation. Of course, the existing exemption from State and municipal taxation of bonds and securities now outstanding will be scrupulously regarded. That exemption is a part of the contract under which the securities have been issued and the money loaned thereon to the Government, and it would not only be unconstitutional but a breach of the public faith of the nation to disregard it. It would also, in the judgment of the Secretary, be unwise for Congress to grant to the States the power, which they will not possess unless conferred by express Congressional enactment, of imposing local taxes upon securities of the United States which may be hereafter issued. Such taxation in any form would result in serious, if not fatal, embarrassment to the Government, and, instead of relieving, would eventually injure the great mass of the people, who are to bear their full proportion of the burden of the public debt. This is a subject in relation to which there should be no difference of opinion. Every tax-payer is personally interested in having the public debt placed at home, and at a low rate of interest, which cannot be done if the public securities are to be subject to local taxation. Taxes vary largely in different States, and in different counties and cities of the same State, and are every where so high that, unless protected against them, the bonds into which the present debt must be funded cannot be distributed among the people, except in some favored localities, unless they bear a rate of interest so high as to make the debt severely oppressive, and to render the prospect of its extinguishment well-nigh hopeless. Exempted from local taxation, the debt can, it is expected, be funded at an early day at five per cent.; if local taxation is allowed, no considerable portion of the debt which falls due within the next four years can be funded at ome at less than eight per cent. The tax-payers of the United States cannot afford to have their ourdens thus increased. It is also evident that the relief which local tax-payers would obtain from Government taxation, as the result of a low rate of interest on the national securities, would, at least, be as great as the increase of local taxes to which they would be subjected on account of the exemption of Government securities; while if those securities should bear a rate of interest sufficient to secure their sale when subject to local taxes, few, if any, of them would long remain where those taxes could reach them. They would be rapidly transferred to other countries, into the hands of foreign capitalists, and thus at last the burden of paying a high rate of interest would be left upon the people of this country without compensation or alleviation.

INTERNAL REVENUE SYSTEM.

It is important, therefore, that our revenue system should be frequently and carefully revised, in order that it may be accommodated to the habits and character of the people, to the industry of the country, to labor and capital, to wages at home and wages abroad. It is also of the highest importance that there should be a careful adjustment of our internal to our external revenue system.

That views somewhat similar to these were entertained by Congress is indicated by the provision in the amendatory act of March 3, 1865, by which the Secretary of the Treasury was authorized to "appoint a commission, consisting of three persons, to inquire and report, at the earliest practical moment, upon the subject of raising by taxation such revenue as may be necessary in order to supply the wants of the Government, having regard to and including the sources from which such revenue should be drawn, and the best and most efficient mode of raising the same."

This subject received the early attention of the Secretary, and under the authority of the act, after careful deliberation, a commission was organized, consisting of Messrs. David A. Wells, Stephen Colwell, and S. S. Hayes, representing, to a certain extent, different sections and interests, and also different political sentiments. The commission was fully organized in June, and has since then been actively engaged in the prosecution of its labors.

* * * * * * * *

In view of the fact that the revision of the whole revenue system has been committed to this commission, the Secretary does not consider it proper for him to present his views upon this important subject in advance of their final report, which it is hoped will be made early in the session

There are some subjects, however, presented in the report of the Commissioner of Internal Revenue, which require the attention of Congress before the report of the commission is received, and in relation to which there should be early action.

COLLECTION OF TAXES IN SOUTHERN STATES.

In putting into operation the system of internal revenue in the recently rebellious States, it became necessary for the Secretary to decide whether or not an effort should be made to collect taxes which accrued prior to the establishment of revenue offices therein. After giving the subject due consideration, the Secretary, in view of the facts that there were no Federal revenue officers to whom payment of taxes could be made, that the people (many of them involuntarily) had been subjected to heavy taxation by the government which was attempted to be established in opposition to that of the United States, and had been greatly exhausted by the ravages of war, issued a circular, under date of 21st of June, declaring "that, without waiving in any degree the right of the government in respect to taxes which had before that time accrued in the States and Territories in insurrection, or assuming to exonerate the tax-payer from his legal responsibility for such taxes, the Department did not deem it advisable to insist, at present, on their payment, so far as they were payable prior to the establishment of a collection district embracing a territory in which the tax-payer resided."

For substantially the same reasons that induced the Secretary to issue this circular, he deemed it to be his duty to suspend all further sales under the direct tax law. Tax Commissioners, however, have been appointed for each State, and collections have been made, as far as it has been practicable to make them, without sales of property. Some sales had, however, been previously made in many of the States, and large amounts of property had been purchased for the government. In South Carolina a portion of the lands thus purchased have since been sold under the 11th section of the Act of August 1863.

During the war, the laws in regard to stamps have been, of course, in the insurrectionary States, entirely disregarded; and, as a consequence, immense interests are thereby imperilled.

In view, therefore, of the recent and present condition of the Southern States, the Secretary recommends—

First. That the collection of internal revenue taxes which accrued before the establishment of revenue offices in the States recently in rebellion be indefinitely postponed.

Second That all sales of property in those states, under the direct tax law, be suspended until the States shall have an opportunity of assuming, (as was done by the loyal States) the payment of taxes assessed upon them.

Third. That all transactions in such states, which may be invalid by the non use of stamps, be legalized as far as it is in the power of Congress to legalize them.

What action, if any, shou'd be taken for the relief of persons in those States, whose property has been sold under the direct tax law, and is now held by the government, it will be for Congress to determine. The Secretary is decidedly of the opinion that liberal le islation in regard to the taxes which accrued prior to the suppression of the rebellion will tend to promote harmony between the government and the people of those States, will ultimately increase the public revenues, and vindicate the humane policy of the government.

RECIPROCITY TREATY.

The reciprocity treaty with Great Britain will expire on the 17th of March next, and due notice of this fact has been given, by circulars, to the officers of customs on the northern frontier.

There are grave doubts whether treaties of this character do not interfere with the legislative power of Congress, and especially with the constitutional power of the House of Representatives to originate revenue bills; and whether such treaties, if they yield anything not granted by our general revenue laws, are not in conflict with the spirit of the usual clause contained in most of our commercial treaties, to treat each nation on the same footing as the most favored nation, and not to grant, without an equivalent, any particular favor to one nation not conceded to another in respect to commerce and navigation.

It appears to be well established that the advantages of this treaty have not been mutual, but have been in favor of the Canadas. Our markets have been strong, extensive, and valuable—theirs have been weak, limited, and generally far less profitable to our citizens. The people of the Canadas and Provinces have been sellers and we buyers of the same productions for which we are often forced to seek a foreign market. It is questionable, in fact, whether any actual reciprocity, embracing many of the articles now in the treaty can be maintained between the two countries. Even in regard to the fisheries, it is by no means certain that, instead of equivalents having been acquired under the treaty, more than equal advantages were not surrended by it But, whatever the facts may be, this subject, as well as that of intercommunication through rivers and lakes, and possibly canals and railroads, are proper subjects of negotiation, and their importance should secure early consideration.

It is certain that, in the arrangement of our complex system of revenue through the tariff and internal duties, the treaty has been the cause of no little embarrassement. The subject of the revenue should not be embarrassed by treaty stipulations, but Congress should be left to act upon it freely and independently. Any arrangement between the United States and the Canadas and Provinces that may be considered mutually beneficial can as readily be perfected and carried out by reciprocal legislation as by any other means. No complaint would then arise as to subsequent changes of laws, for each party would be free to act at all times, according to its discretion.

However desirable stability may be, an irrepealable revenue law, even in ordinary times, is open to grave objections, and in any extraordinary crisis is likely to be pernicious. The people of the United States cannot consent to be taxed as producers while those outside of our boundaries, exempt from our burdens shall be permitted, as competitors to have free access to our markets. It is desirable to diminish the temptations now existing for smuggling, and if the course suggested of mutual legislation should be adopted, a revenue system, both internal and external, more in harmony with our own, might justly be anticipated from the action of our neighbors, by which this result would be most likely to be obtained.

MINING LANDS.

The attention of Congress is again called to the importance of early and definite action upon the subject of our mineral lands, in which subject are involved questions not only of revenue, but social questions of a most interesting character.

Copartnership relations between the Government and miners will hardly be proposed, and a system of leasehold, (if it were within the constitutional authority of Congress to adopt it, and if it were consistent with the character and genius of our people,) after the lessons which have been taught of its practical results in the lead and copper districts, cannot of course be recommended.

After giving the subject as much examination as the constant pressure of official

duties would permit, the Secretary has come to the conclusion that the best policy to be pursued with regard to these lands is the one which shall substitute an absolute title in fee for the indefinite possessory rights or claims now asserted by miners.

The right to obtain a "fee simple to the soil" would invite to the mineral districts men of character and enterprise; by creating homes (which will not be found where title to property cannot be secured), it would give permanency to the settlements, and, by the stimulus which ownership always produces, it would result in a thorough and regular development of the mines.

A bill for the subdivision and sale of the gold and silver lands of the United States was under consideration by the last Congress, to which attention is respectfully called. If the enactment of this bill should not be deemed expedient, and no satisfactory substitute can be reported for the sale of these lands to the highest bidder, on account of the possessory claims of miners, it will then be important that the policy of extending the principle of pre-emption to the mineral districts be considered. It is not material, perhaps, how the end shall be attained, but there can be no question that it is of the highest importance, in a financial and social point of view, that ownership of these lands, in limited quantities to each purchaser, should be within the reach of the people of the United States who may desire to explore and develope them.

In this connection it may be advisable for Congress to consider whether the prosperity of the treasure-producing districts would not be increased, and the convenience of miners greatly promoted, by the establishment of an assay office in every mining district from which an actual production of gold and silver amounting to ten millions of dollars is actually obtained.

PREVENTION OF SMUGGLING.

The attempts at smuggling, stimulated by the high rates of duties on imports, have engaged the attention of the department, and such arrangements have been made for its detection and prevention as seemed to be required by the circumstances, and available for that purpose.

It is quite apparent, however, that, with our extensive seacoasts and inland frontier, it is impracticable entirely to prevent illicit traffic, though checks at the most exposed points have, doubtless, been put to such practices.

In this connection, it may be remarked, that the revenue cutters are diligently and usefully employed in the preventive service, within cruising limits, so defined as to leave no point of sea and gulf coasts unvisited by an adequate force.

A similar arrangement will be extended to the lakes on the re opening of navigation, the cutters built for that destination not having been completed in time to be put in commission before its close.

The cutters are an important auxiliary to the regular customs authorities, in the collection and protection of the public revenue, by the examination of incoming vessels and their manifest of cargo; affording succor to vessels in distress; aiding in the enforcement of the regulations of harbor police, and otherwise preventing or detecting violations or evasions of law. A service of this description is unquestionably useful, if not indispensable, to the administration of the revenue system of a maritime and commercial country with such extensive sea, lake, and gulf coasts as our own.

There are now in the service twenty-seven steamers and nine sailing vessels. Of the steamers, seven are of the average tonnage of 350 tons, and draw nine feet of water. These large vessels were constructed during the progress of the late rebellion, and were designed for the combined purpose of a naval force and a revenue coast guard. Their heavy armaments, large tonnage, and crews, however well fitted for such purposes, are not adapted for the revenue service in a time of peace. In consequence of their great draft of water, they must be used mainly as sea-going vessels, and are incapable of navigating the shallow waters of the coasts and their tributaries, which afford the most favorable opportunities for contraband trade. Independently of these considerations, they are so constructed as to be unable to carry a supply of fuel for more than three, or possibly four days, at the farthest.

It is recommended, therefore, that this department be vested with authority to sell the vessels of this description, and expend the proceeds in the purchase of others of a different character and lighter draft, and on that account better fitted to accomplish the purposes of a preventive service, and which can be kept in commission at a cost more than one-third less than those of the former class.

For example, the difference in the cost of running for twelve months the Mahoning, one of the first-named class, and the Nansemond, one of the latter class, is $27,606.

The Mahoning, with twelve tons of coal per diem, can make but eight knots per hour, while the Nansemond, with eight tons of coal per diem, will make twelve knots per hour. The Nansemond, drawing but six feet nine inches, is enabled to cruise in waters entirely inaccessible to the Mahoning.

To render the service effective and economical, cutters should be of light draft, manned by a small crew, and able to navigate the shoal waters and penetrate the inland bays rivers and creeks, with which our sea, lake, and gulf coasts abound, but of sufficient tonnage to enable them to perform efficiently and safely the duties of a coast guard at sea, and to furnish succor to vessels in distress; and at the same time to navigate the interior waters for the prevention of smuggling, and reach readily a port of refuge in the tempestuous weather prevailing at times along our coast, should they be forced to do so.

NATIONAL BANKS AND THEIR CIRCULATION.

By the report of the Comptroller of the Currency, it appears that sixteen hundred and one banks had been, on the 31st of October last, organized under the National Banking Act. Of these, six hundred and seventy-nine were original organizations, and nine hundred and twenty-two conversions from State institutions.

The Comptroller recommends several amendments to the acts, which will arrest the attention of Congress.

* * * * * * * * * * * * *

The National Banking system was designed not only to furnish the people with a sound circulation, but one of uniform value; and this is not likely to be fully accomplished until the banks by compulsion, or their own voluntary act, keep their notes at par in the principal money markets of the country.

The establishment of the National Banking system is one of the great compensations of the war—one of the great achievements of this remarkable period. In about two years and a half from the organization of the first National Bank, the whole system of banking under State laws has been superseded, and the people of the United States have been furnished with a circulation bearing upon it the seal of the Treasury Department as a guaranty of its solvency. It only remains that this circulation shall be a redeemable circulation; redeemable not only at the counters of the banks, but at the commercial cities, to make the National Banking system of almost inconceivable benefit to the country.

The present law limits the circulation of the National Banks to three hundred millions of dollars; and it is not probable, when the businessof the country returns to a healthy basis, that a larger paper circulation than this will be required. Indeed it is doubtful whether a larger circulation can be maintained on a specie basis. Should an increase, however, be necessary, it can be provided for hereafter. It is, perhaps, unfortunate that a greater restriction had not been placed upon the circulation of the large banks already organized, in view of the wants of the Southern States. It is quite likely, however, that the anticipated withdrawal of a portion of the United States notes (not to speak of the effect of the restoration of specie payments) will so reduce the circulation of the northern banks as to afford to the South under the present limiration of the law, all the paper currency which will be required in that quarter.

THE SEVEN-THIRTY LOAN.

The Act of March 3, 1865, authorized the Secretary to borrow any sums not exceeding six hundred millions of dollars and to issue thereforbonds or Treasury notes of the United States in such form as he might prescribe.

Under this act there was issued during the month of March $70,000,000 of notes payable three years after date, and bearing an interest, payable semi-annually in currency at the rate of seven and three-tenths per cent per annum, and convertible at maturity, at the pleasure of the holders, into five-twenty gold-bearing bonds.

Upon the capture of Richmand, and the surrender of the confederate armies, it became apparent that there would be an early disbanding of the forces of the United States, and, consequently heavy requisition sfrom the War Department for transportation and payment of the army, including bounties. As it was important that these requisitions should be promptly met, and especially important that not a soldier should remain in the service a single day for want of means to pay him, the Secretary perceived the necessity of realizing as speedily as possible the amount—$580,000,000—still authorised to be borrowed under this act. The seven and three-tenths notes had proved to be a popular loan, and although a security on longer time and lower interest would have been more advantageous to the government, the Secretary considered it

advisable, under the circumstances, to continue to offer these notes to the public, and to avail himself, as his immediate predecessor had done, of the services of Jay Cooke, Esq., in the sale of them. The result was in the highest degree satisfactory. By the admirable skill and energy of the agent, and the hearty co-operation of the National Banks, these notes were distributed in every part of the Northern, and some parts of the Southern States, and placed within the reach of every person desiring to invest in them. No loan ever offered in the United States, notwithstanding the large amount of government securities previously taken by the people, was so promptly subscribed for as this. Before the first of August the entire amount of $550,000,000 had been taken, and the Secretary had the unexpected satisfaction of being able, with the receipts from customs and internal revenue and a small increase of the temporary loan, to meet all the requisitions upon the Treasury.

On two hundred and thirty million of these notes the government has the option of paying the interest at the rate of six per cent in coin, instead of seven and three tenths in currency. The Secretary thought it advisable to reserve this option, because he indulged the hope that before their maturity specie payments would be restored, and because six per cent in coin is as high a rate of interest as the government should pay on any of its obligations.

SALES OF GOLD.

The receipts of coin have been for some months past so large that there have been constant accumulations beyond what has been required for the payment of the interest on the public debt. The Secretary has, therefore, deemed it to be his duty to sell, from time to time, a portion of the surplus for the purpose of supplying the wants of importers and furnishing the means for meeting the demands upon the Treasury for currency. The sales have been conducted by the Assistant Treasurer in New York in a manner entirely satisfactory to the Department, and, it is believed, to the public. The sales, up to the first of November, amounted to $27,993,216 11, and the premium to $12,310,459 76; thus placing in the Treasury for current use, the sum of $40,303,675 87, without which there would have been a necessity for the further issue of interest-bearing notes.

SINKING FUND.

The necessities of the Treasury have been such that a compliance with the requirements of the act of February 25, 1862, for the creation of a sinking fund, has been impracticable. As long as it is necessary for the Government to borrow money, and to put its obligations upon the market for sale, the purchase of these obligations for the purpose of creating a sinking fund would hardly be judicious. After the expiration of the present year, the income of the Government will exceed its expenses; and it will then be practicable to carry into effect the provisions of the law. The Secretary is, however, of the opinion that the safe and simple way of sinking the national debt is to apply directly to its payment the excess of receipts over expenditures. He therefore respectfully recommends, that so much of the act of February 25, 1862, as requires the application of coin to the purchase or payment of one per cent of the entire debt of the United States to be set apart as a sinking fund, be repealed.

GOLD NOTES.

By virtue of the authority conferred by the fifth section of the act of March 3, 1863, the Treasurer of the United States, and the Assistant Treasurer in New York have been instructed to receive deposits of coin and bullion, and to issue certificates therefor in denominations of not less than twenty dollars.

Instructions were given for the issue of these certificates to promote the convenience of officers of customs and of the Treasurer and Assistant Treasurers, and for the accommodation of the public. Other considerations also prompted the Secretary to avail himself of the authority referred to. It is expected that the credit of the Government will be strengthened by the coin which will be thus brought into the Treasury, and that the effect of the measure will be to facilitate to some extent a return to specie payments. If the experiment should be satisfactory in New York, it will be extended to other commercial cities.

* * * * * * * * *

HUGH McCULLOCH,
Secretary of the Treasury.

HON. SCHUYLER COLFAX,
Speaker of the House of Representatives.

THE UNITED STATES DEBT.

We give below the statement of the Public Debt, prepared from the reports of the Secretary of the Treasury for October and November, and January 1, 1866.

Denominations.	October 31.	November 30.	Jan. 1, 1866.
DEBT BEARING INTEREST IN COIN.			
6 per cent, due December 31, 1867	$9,415,250	$9,415,250	$9,415,250
6 do July 1, 1868	8,908,342	8,908,332	8,908,342
5 do January 1, 1874	20,000,000	20,000,000	20,000,000
5 do January 1, 1871	7,022,000	7,022,000	7,022,000
6 do December 31, 1880	18,415,000	18,415,000	18,415,000
6 do June 30, 1881	50,000,000	50,000,000	50,000,000
6 do June 30, 1861, exch'd for 7.30s	139,331,400	139,252,450	139,331,000
6 do May 1, 1867-82 (5.20 years)	514,780,500	514,780,500	514,780,500
6 do November 1, 1869-84 (5.20 years)	100,000 000	1,000,000,000	100,000,000
6 do November 1, 1870-85 (5.20 years)	44,479,100	50,590,300	50,590,300
5 do March 1, 1874-1904 (10.40s)	172,770,100	172,770,100	172,770,100
6 do July 1, '81 (Oregon war)	1,016,000	1,016,000	1,016,000
6 do June 30, 1881	75,000,000	75,000,000	75,000,000
Aggregate of debt bearing coin interest	$1,161,137,692	$1,167,169,942	$1,167,148,292
DEBT BEARING INTEREST IN LAWFUL MONEY.			
4 per cent Temporary Loan (10 days' notice.)	$612,728	$612,228	97,257,195
5 do do do	21,309,710	21,644,710	
6 do do do	67,185,807	67,266,168	
6 do Certificates (one year)	55,905,000	55,921,000	60,667,000
5 do One and two-years' notes	32,536,901	32,536,901	8,536,900
6 do Three years' comp. interest notes	173,012,141	167,012,141	18 ,012,141
6 do Thirty-year bonds, (Cent'l Pacific R.)	1,253 000	1,898,000	2,362,000
6 do do (Union Pacific R. E. Div.)	.....	640,000	640,000
7.20 do Three years' treasury notes, 1st series	300,000,000	300,000,000	300,000,000
7.30 do do do 2d series	300,000,000	300,000,000	300,000,000
7.30 do do do 3d series	230,000,000	230,000,000	230,000,000
Aggregate of debt bearing lawful money int	$1,191,819,787	$1,177,531,149	$1,179,475,236
DEBT ON WHICH INTEREST HAS CEASED.			
7.30 per cent Three years' notes	$308,150	$260,500	$340,000
do Texas indemnity bonds	760,000	726,000	726,000
Other bonds and notes	305,770	200,980	200,880
Aggregate of debt on which int. has ceased	$1,373,920	$1,187,480	$1,166,880
DEBT BEARING NO INTEREST.			
United States Notes	$400,000,000	$398,581,194	$426,231,390
do do (in redemp. of the temp loan)	28,160,569	28,160,202	
Fractional currency	26,057,469	26,108,197	26000,420
Currency	$454,218,038	$452,850,264	$452,231,810
Gold certificates of deposit	.....	7,200,440	7,288,140
Uncalled for pay requisitions	660,900	509,231	1,220,006
Aggregate of debt bearing no interest	$454,868,938	$460,556,264	$459,519,950
Amount in Treasury—			
Coin	34,554,987	47,224,379	45,735,551
Currency	33,800,591	44,587,141	44,993,271
Total in Treasury	$68,355,578	$91,811,520	$90,729,823
RECAPITULATION.			
Debt bearing interest in coin	$1,161,137,691	$1,167,169,942	$1,167,148,292
Debt bearing interest in lawful money	1,191,819,787	1,177,531,149	1,179,475,236
Debt on which interest has ceased	1,373,920	1,187,480	1,166,880
Debt bearing no interest (currency)	454,218,038	460,047,033	459,519,950
Uncalled for requisitions	660,900	509,231	1,220,006
Aggregate debts of all kinds	$2,809,210,336	$2,806,444,835	$2,807,310,358
Cash in treasury	68,355,578	91,811,520	90,738,822
ANNUAL INTEREST PAYABLE ON DEBT.			
Payable in gold	$67,670,340	$68,032,275	$68,080,975
Payable in lawful money	71,267,738	70,864,680	70,136,131
Aggregate amount of int. payable annually—not including int. on the 3 years' comp. int. notes, which is payable only at maturity	$138,938,078	$138,896,955	$138,217,107
LEGAL TENDER NOTES IN CIRCULATION.			
One and two years' 5 per cent notes	$32,536,901	$32,536,901	$8,536,900
United States notes (currency)	428,160,569	426,741,396	426,231,390
Three years' 6 per cent compound int. notes	173,012,141	167,012,141	180,012,141
Aggregate legal tender notes in circulation	$633,709,611	$626,290,438	$644,780,431

COMMERCIAL CHRONICLE AND REVIEW.

Report of Mr. McCulloch—Government Receipts and Expenditures past, present, and prospective—Monthly Statement of Debt criticized—Prices of leading articles for eight years—Action of Congress on Contraction—Presidents Message and United States Securities—Railroad Stocks—Prices of Gold—Movements of Treasure for Year—Exchange prices of, &c.

THE reassembling of Congress, the message of the President, and the reports of his Secretaries to Congress, are the chief matters of interests the past month. Never has the annual report of the Secretary of the Treasury been looked for with more general anxiety, or been received with more distinguished marks of public approval than that of Mr. McCulloch, to which we devote a large part of this number of the Magazine. It comprises the transactions of the year ending 30th June last, and the financial history of the most critical period of the war, which it contains, will attract the attention of one class of readers, while its statements as to our future financial policy awakens the interest of all. This able state paper is valuable as a record of the past no less than as a forecasting of the future.

In looking over the balance sheet of the national Treasury here spread before us, the first point which attracts attention is the prodigious resources of our people who, after more than three years of exhausting war expenditure have, without resorting to any foreign loan, contrived to raise among themselves no less than 1,800 millions of dollars. To this most significant fact history affords no parallel, and to it, future republican nationalities in both hemispheres, will look with pride and emulation, in like times of crushing trial and patriotic self sacrifice. Let us briefly examine the details, however.

At the opening of the last session, Congress supposed, and the Treasury estimate stated, that the deficit for the fiscal year 1864-5 would amount to 482,000,000. Such, however, were the expenditures incident to the struggle, that we have had to provide for nearly twice that amount, or 942,000,000. And much of this sum was to be raised when gold was wildly fluctuating above 200, and United States bonds were quoted below 40. Besides this 942 000,000, however, we had to provide for over 150,000,000 of maturing short obligations, which were to be paid in money as they fell due. Moreover, our internal taxation proved less productive than was anticipated. Instead of yielding 300,000 000 it brought into the Treasury but 209,000.000. The customs also fell off from 102,000,000 in 1864 to 85,000,000 in 1865.

We will not now revive the unwelcome memory of the circumstances which, in the spring and summer of 1864, so damaged the national credit that the proposal for a loan of 33,000,000, advertised on the 25th of June was withdrawn on the 2d of July, as it was evident "that such loan would not be taken on terms which it would be the interest of the government to accept." Suffice it to say, that by skillful management the public confidence was gradually restored and all opposing difficulties were surmounted by Mr Fessenden and by his successor Mr. McCulloch. The tabular exhibit on page 12 of the report, shows that of the 1,100,000,000 wanted, 257,000,000 were funded in five and six per cent long

bonds; 671,000,000 were raised by the Seven-thirties, and the remainder chiefly by the issue of compound-interest legal tenders, which have now almost ceased to pass current as active paper money.

Our space forbids a detailed account of this part of the report, and we content ourselves with simply compiling from it the following table, which shows the gradual increase of our national debt since the beginning of the war, with the responsive growth of our fiscal strength to bear the burdens it has imposed upon us. We have added the estimates for the years 1866 and 1867, and the amounts are stated in millions of dollars:

	Principal of debt. Millions.	Increase during the year. Millions.	War and navy expenses. Millions.	Customs & internal revenue. Millions.	Interest on debt. Millions.
1861.....	90·867	.....	85·388	39·583	4·094
1862.....	514·211	423·343	437·042	49·056	13·190
1863.....	1,098·793	584·581	662·509	106·700	24·729
1864.....	1,740·690	641·897	776·525	212·057	53·685
1865.....	2,682·593	941 903	1,153·891	294·893	77·397
1866*....	2,794·787	112·194	524·678	418·626	132·986
1867*.....	2,683·105	.....	82·099	375·000	141·542

But there are other points of the gravest practical importance which these figures illustrate besides the expansiveness of our national resources and our ability to bear a heavy fiscal burden. They show how rapidly the pressure on our other resources is diminishing. The war department, on which 1,031 millions were expended last year, is estimated at 473,000,000 in 1866, and 38,000,000 in 1867. The navy expenditure, which was 122,000,000 last year, will be 51,000,000 in 1866, and is to be reduced to 44,000,000 in 1867. The effect on the public credit produced by reductions on so vigorous a scale, and extended to all the details of the government expenditure, it is impossible to over estimate, for in national finances good credit chiefly means economy and good administration.

Secondly, it appears from Mr. McCulloch's estimates that this contraction will reach the national debt as well as the national expenditures. The debt of the United States, he says, has increased since the end of June last, when the fiscal year ended. He has borrowed $138,773,097 22 since that time, but so large was the income from internal revenue and from other sources during the month of September, that he has paid off 13,000,000 of this amount, and he expects to reduce the 138,000,000 to 112,000,000 before the end of the current fiscal year. If so, we have traversed the highest peak in the mountain of our indebtedness, for during the year 1867 Mr. McCulloch is sanguine enough to expect that he will pay off 111,000,000 more. To estimate the full force of these reductions, we must remember that of our debt of 2,808,000,000, less than one-half is in long bonds, and the remainder has to be funded in a permanent shape with as little delay as possible. To facilitate still more this funding operation, Mr. McCulloch brings forward a scheme to pay off the national debt in a little more than a quarter of a century. On this plan we shall have some suggestions to make on another occasion. But apart from all considerations of early redemption, there is no doubt that our long bonds will be easily negotiated if Mr. McCulloch's anticipations prove true, and we realize an excess of income from taxation over the national expenditure.

---

* Estimated.

The last point we shall cite from the report is that which refers to the contraction of the volume of our paper money. True to the sound principles of finance which he has always professed, Mr. McCulloch opposes any increase of National Bank currency, and asks for further power to withdraw from circulation the interest-bearing legal tenders. In this matter of contracting the currency the policy of the government, as expressed by the President, the Secretary of the Treasury, and the Comptroller of the Currency, is appoved by the press and by the people, and has also received the sanction of Congress.

The official monthly statement of our National Debt will be found on another page, and among its interesting details we may mention the new gold notes, which have not increased during thr month, and are evidently less popular than was anticipated by their promoters. We were told that by the gold note policy vast amounts of coin would be gathered in from hoards, and attracted to the Sub-Treasury, where, in some mysterious way, this borrowed gold was to help the Government credit. So far, however, very little coin seems to have been deposited in this way. And the seven millions of gold deposits now in the Treasury vaults, appear to be chiefly useful as affording to the dealers in specie, free of charge, the facilities for speculation and for safe keeping of coin, which formerly they had to pay heavily for at the Bank of New York.

The compound interest notes have increased 13 millions since 1st December, and amount now to 180 millions. As the official statement is printed this month in much less convenient form than usual, and does not show, as heretofore, how large an amount of these compound notes has been destroyed, we have no opportunity of verifying the rumor which is again current in Wall street that Mr. McCulloch, to save the interest accumulated, is cancelling all the old inert notes that are paid into the Treasury, and supplying their place with new ones. It is to be observed also that the increase in the aggregate amount of compound notes have not arisen from Mr. McCulloch's having converted greenbacks into them as he has legal authority to do. The greenbacks amount still to 426 millions, at which sum they have stood for some time past.

The objection has been raised to this method of converting greenbacks into compound notes, that the process involves a considerable loss of interest. But there is an equal, or even a greater difficulty attending every other method of contraction; and yet the benefits far outweigh the cost. Moreover, this plan has the advantage of having stood the test of experience. It has been tried on a large scale, and so far the successful results have realized the anticipation of Mr. Chase, when he made the experiment of issuing compound notes in 1864. The importance in this point of view of the contracting of our active currency, which the conversion into compound legal tenders has effected, it is impossible to over-estimate. None of the plans of contraction hitherto proposed have done half as much, and none have operated so imperceptibly, and with so little derangement of the credit-machinery or of the business interests of the country.

The third point demanding special notice in the statement before us, is the increase of the demand loans. Their amount has now advanced to $97,257,194, an increase of nearly eight millions for the month. It will be remembered that

the act of 30th June, 1864, authorized the increase of these call loans to one hundred and fifty millions. This increase was necessary as a war measure, and to give the necessary elasticity to our financial machinery during the prodigious fiscal efforts of the closing year of the war. There are, however, numerous evils which, since the return of peace, have arisen from the large unwieldy dimensions of these demand loans. The chief objection to them, however, is that they prevent contraction, and favor inflation of the currency. It is reported, and the rumor is welcomed with much satisfaction in financial circles, that Mr. McCulloch intends to announce the cessation of interest at an early day on all call loans above five per cent. This conservative movement could not but be attended by the best results.

We are glad to see that an increase is taking place in the certificates of indebtedness. These securities are extremely scarce, and before the excessive issues which flooded the market with them towards the close of Mr. Chase's administration, they were very much sought after for temporary investment, and commanded high rates. The aggregate now out is $60,607,000, and this amount might no doubt be gradually increased to 100,000,000, if the issue could be made at about the present market price. Of all the short-date obligations of the Treasury, the certificates of indebtedness have probably been productive of the least practical embarrassment to the department. Had a freer use been made of these securities, the retiring of twenty-four millions of maturing five per cent legal tenders would not have necessitated an issue of thirteen millions of compound interest notes, or, what is even more objectionable, an increase of eight millions in the call loans.

To show the growth and extent of the inflation of nominal values by our greenback irredeemable currency we give below a comparative table of the wholesale prices at this port of the leading articles of foreign and domestic produce from 1859 to the present time. We do not, of course, wish to be understood as urging that the depreciation of our paper money is the sole cause of the advance which has taken place. We have repeatedly stated that the prices of all sorts of commodities are raised by our heavy taxes, by speculation, by a number of circumstances which during the war have either increased the cost of production, or disturbed the relations of demand and supply. No one whose opinion is entitled to credit can overlook these causes of the fluctuation of market values. But the point we raise is that the high prices which have prevailed among us are only partially and in a very subordinate degree accounted for by these minor causes. Beyond and above all these in its influence on values, is the depreciation of the currency. Prices have risen far more than they ever could otherwise have done, because the dollar is not worth as much as in specie paying times. The paper dollar has lost part of its purchasing power. It is not worth its normal value of ten silver dimes. To-day it only represents seven. Next month it may perhaps be worth eight. A year ago it would not purchase five. It requires no mathematical genius to show us that prices expressed in these depreciated paper dollars must be higher and more fluctuating than if expressed in gold dollars. Remembering, then, that depreciation of the currency is the great producer of high prices, let us examine in the light of this

principle the course of inflation as shown by the sales in open market from which we have compiled the subjoined table. We give the prices, January 3d, of each of the last eight years:

PRICES OF LEADING ARTICLES FOR EIGHT YEARS.

	1859.	1860.	1861.	1862.	1863.	1864.	1865.	1866.
	$ c	$ c	$ c	$ c	$ c	$ c	$ c	$ c
Ashes, pots.....100 lbs.....	5 62½	5 12½	5 00	6 25	8 50	8 50	11 75	9 00
Pearls	6 00	5 37½	5 00	6 25	8 25	9 75	13 00	11 00
Breadstuffs—								
Wheat flour, State..bbl.....	4 30	4 30	5 35	5 50	6 05	7 00	10 00	8 75
Wheat, best ex. Genesee.....	7 75	7 50	7 50	7 50	8 75	11 00	15 00	14 00
Rye flour, "	3 75	4 00	4 00	3 87½	5 45	6 65	9 00	6 10
Corn meal, Jersey.....	3 40	3 90	3 15	3 00	4 00	5 65	8 80	4 25
Wheat, white Ge.nbush.....	1 40	1 50	1 45	1 50	1 60	1 80	2 60	2 63
White Michigan.....	1 25	1 50	1 45	1 50	1 53	1 83	2 70	2 75
White Ohio.....	1 30	1 45	1 45	1 48	1 58	1 83	2 60	2 63
White Southern.....	1 45	1 45	1 45	1 52	....	....	2 75	2 45
Red Western.....	1 20	1 30	1 38	1 42	1 48	1 57	2 45	2 05
Chicago Spring.....	....	....	1 18	1 30	1 33	1 48	2 22	1 85
Rye, Northern ...bush.....	78	92	75	83	96	1 30	1 75	1 05
Oats, State.....	53	46½	37	42	71	93	1 06	62
Corn, old Western.....	78	90	72	64	82	1 30	1 90	95
Corn, new Southern.....	75	80	72½	68	86	....	....	....
Cotton, mid. upland....lb.....	12	11	12¼	35½	68½	82	1 20	52
Mid. New Orleans...	12¼	11½	12½	36	68	..	1 21	53
Fish, dry cod.....qtl.....	4 00	4 50	3 50	3 50	4 50	6 75	9 00	9 25
Fruit.—Bunch raisins..bx.....	2 05	2 52	1 75	3 20	3 50	4 00	5 85	4 40
Currants.....lb.....	7½	6	4½	9	13@13½	15	21	15
Hay, shipping.....100 lbs.....	80	1 00	90	77½	85	1 45	1 55	75
Hops.....lb.....	15	16	25	20	23	33	40	50
Iron—Scotch pig.....ton.....	25 00	24 50	21 00	28 00	33 50	45 00	68 00	52 00
English bars.....	55 00	53 00	52 00	57 00	77 50	90 00	190 00	130 00
Lathe.....per M.....	2 12½	2 00	1 30	1 25	1 45	1 50	2 40	5 00
Lead—Spanish.....ton.....	5 50	5 65	5 25	7 00	8 00	10 50	15 00	10 00
Galena.....	5 85	5 77½	5 50	7 12½	8 00	10 50	16 00	....
Leather—hemlock, sole.lb.....	24	30	10½	20½	27	30 00	42	36
Oak.....	30	30	27	28	33	42	52	39
Lime, com. Rockland..bbl.....	75	75	75	65	85	1 35	1 15	1 10
Liquors, brandy, cog'c.gal.....	3 00	3 26	2 00	4 00	5 25	....	....	....
Domestic whiskey.....	24½	26	19¾	20½	39	91	2 24	2 27½
Molasses, N. Orleans...gal.....	37	53	37	53	55	70	1 43	1 15
Naval stores—								
Crude turpentine.....bbl.....	3 68¾	3 43¾	2 75	10 00	..	..	..	9 00
Spirits turpentine....gal.....	49	44½	35	1 47½	2 60	2 05	2 10	1 05
Common rosin, N. C.bbl.....	1 55	1 65	1 25	6 00	10 50	30 00	28 00	6 50
Oils—crude whale.....gal.....	55	52	51	48	83	1 10	1 48	1 60
Crude, sperm.	1 86	1 40	1 40	1 40	1 75	1 60	2 13	2 50
Linseed.....	65	57	50	86	1 27	1 47	1 50	1 45
Provisions—								
Pork, old mess.....bbls.....	17 00	16 37½	16 00	12 00	14 50	19 50	43 00	28 50
Pork, old prime.....	13 00	11 75	10 50	8 50	12 50	14 50	36 25	23 50
Beef, city mess.....	9 00	9 00	6 00	5 50	12 00	14 00	20 50	20 00
Beef, repacked Chicago.....	9 50	9 50	9 00	11 00	13 00	15 00	23 00	24 00
Beef hams, extra	15 00	14 50	14 00	14 50	15 50	18 30	27 00	35 00
Hams, pickled ....lb.....	9¼	9¼	8	6	8	11	20	16½
Shoulders, pickled	6¼	6½	5½	4¾	5¾	8½	18	14
Lard.....	11½	10¾	10¾	8¾	10	13	23	19
Butter, Ohio.....	18	16	14	15	22	24	45	30
Butter, State.....	20	20	18	19	22	29	55	48
Butter, Orange County.....	25	24	22	22	25	33	63	50
Cheese.....	9	11	10	7	12	15½	20	18¾
Rice, good.....100 lbs.....	3 50	4 20	4 00	7 00	8 75	10 00	13 00	12 50
Salt, Liverpool, ground..sk.....	90	1 15	65	86	1 25	1 85	2 27	2 00
Liverpool, fine, Ashton's.....	1 38	1 95	1 60	1 70	2 15	2 80	4 75	4 10
Seeds, clover .....lb.....	9½	8½	8¾	7¼	10¾	12½	27	14
Sugar, Cuba, good.....	7	7¾	6¼	8¼	10	12	19	13
Tallow	10	10½	9¾	9½	10¾	13	18	14
Whalebone, polar	95	90	88	76	1 65	1 60	2 25	1 55
Wool, fleece.....	36	40	30	50	60	75	95	75

Excluding cotton, iron, rosin, and a few other articles whose fluctuations in value are partly due to other well-known causes, we find the general course of prices tending upwards during the increase of our paper money. That increase reached its highest point some time ago, since which our paper money has been gradually diminishing, and as our paper currency has grown less so prices have fallen too.

Never since the passage of the legal tender act in February, 1862, has any more important currency measure received the sanction of Congress than the resolution which was offered on the 18th of December, by Mr. Alley, in the House of Representatives. This resolution declares that the House "cordially concurs in the views of the Secretary of the Treasury in relation to the necessity of the contraction of the currency with a view to as early a resumption of specie payments as the interests of the country will permit," and pledges "co-operative action to that end as speedily as possible."

The decisive vote of 144 to 6 by which this conservative and sound policy was adopted naturally seals the fate of the mischievous schemes of further inflation which of late have been urgently pressed forward in certain quarters; and gives a pledge that our redundant currency is not only to receive no further increase, but will be steadily contracted from this time forward, until its normal volume is reached and specie payments are resumed. This assurance is regarded with the liveliest satisfaction; and the various methods which have been proposed for calling in our superfluous paper money are everywhere canvassed with a warmth and earnestness which show that the public mind is alive to the delicacy of the work of contraction and to the mischiefs which will ensue if it be unwisely done.

The effect of the President's Message on Government securities both at home and abroad, is an instructive feature of the past month. On the publication of the Message here an upward impulse was at once given to all government bonds, but because of the continued depression in Europe the rise was checked. When, however, the steamer reached London with the Message the effect there was even more decided, and a rise of from two to three cents in the gold price of the bonds was at once established. This advance reacted here, and instead of last month's closing prices at about 103 for Five-twenties, the same bonds were selling the last of December at 105. We give below the prices each week.

The following table shows the prices of Governments and Gold since July:

PRICES OF UNITED STATES PAPER AND GOLD.

	6's, 1881.		5-20's, new iss.				
	Reg.	Coup.	Reg.	Coup.	10-40's.	1 year certif.	Gold price.
July 5,....	110¼	110¼	104	105	97⅛	99⅛	139½@140⅛
" 12,....	107¼	107⅛	105	105⅛	97⅛	99⅛	140⅛@142⅛
" 19,....	107¼	107⅛	104⅛	105	97	99⅛	142½@143
" 26,....	107	107¼	105	105¼	97	98	143½@143⅝
Aug. 5,....	107	107¼	104⅞	105¼	97¼	97⅛	143⅝@143⅞
" 12,....	106¼	106⅛	104¼	104⅛	97¼	97⅛	141½@142
" 19,....	106¼	106¼	104⅛	104⅞	97¼	98⅛	143⅝@144⅛
" 26,....	106⅛	106⅞	104⅛	104⅞	98⅛	98¼	144 @144⅛
Sept. 2,....	107¼	107¼	104⅛	104⅞	94⅛	98¼	144½@144⅝
" 9,....	107⅛	107⅛	105¼	105⅛	94¼	98⅞	144⅛@144½
" 16,....	107⅛	107⅞	105⅛	105¼	94	98⅛	142½@143½
" 23,....	107⅞	108	106¼	106¼	94⅛	98⅛	143½@143⅝
" 30,....	107⅛	107⅛	106	107	94¼	98⅛	144 @144½
Oct. 7,....	107⅛	107⅛	101½	101	93⅛	98¼	146 @146⅛
" 14,....	107	107⅛	102	102	93⅛	98¼	144⅝@144⅞
" 21,....	106	106⅞	101⅛	101⅛	93	97⅛	145½@146⅛
" 28,....	106	106⅞	101	101½	92⅞	98	145½@145⅞
Nov. 4,....	106½	106⅛	101½	101½	92⅛	97⅛	146⅞@147⅛
" 11,....	105½	105⅛	100⅛	100⅛	91⅛	97⅛	146½@146⅞

	6's, 1881.		5-20's, new iss.				
	Reg.	Coup.	Reg.	Coup.	10-40's.	1 year certif.	Gold price.
" 18,....	105⅝	105⅞	100¼	100¼	91¼	97⅝	146¾@147
" 25,....	106	105⅞	100	101¼	91	97⅝	146¾@147¼
Dec. 1,....	106⅛	106⅜	99¼	101¼	90¼	97¼	147⅛@148
" 8,....	103¼	107¼	99¼	102¼	91¼	97⅜	145⅜@148⅞
" 15,....	103¼	107⅜	99⅜	104	91⅜	97⅜	144⅜@146⅜
" 22,....	103¼	107⅜	100¼	103¼	92¼	97⅜	145⅜@146⅜
" 29,....	103¼	107⅜	100¼	105	92⅜	98⅜	145 @145¼

Railroad stocks have been weak during the month. The prospect of future earnings being smaller leads to the belief or fear that many of our dividend-paying roads will soon cease to pay dividends. The immense increase of earnings during the war was due chiefly to the closing of the Mississippi. The blockade of that important outlet for Western produce not only forced an increased amount of freights over the Eastward routes, but by removing competition enabled the roads to largely enhance their rates of transportation. This temporary monopoly has enabled most of the roads to pay dividends; and their stocks have advanced to a price justifiable only by the prospect of their having reached a permanent dividend-paying basis. Many of the roads have reduced their debts, improved their roadway, increased their rolling stock and placed their works in a generally effective position, which are very material considerations in estimating the value of stocks. The question of chief importance is whether, in spite of these improvements, the reopening of the Mississippi route, when fully provided with steamers, will not remand many of the roads back into a non-dividend-paying condition? The roads connecting with the East will inevitably suffer a diminution in the amount of their traffic; and the river competition will materially reduce the rates of freight. The result of this competition is already showing itself in a decline of the current earnings of the leading roads. At the same time, it is necessary to set off against these disadvantages the fact that the steady decline in prices and the inevitable fall in wages will enable the roads to reduce their running expenses, while the natural expansion of commerce will increase the amount of produce seeking transportation. Certain roads will be subject to damaging competition from the Atlantic and Great Western road, when its arrangements are completed--a circumstance which alone might be considered unimportant, but when associated with the revival of river competition is of much practical consequence.

Upon the whole, these considerations appear to warrant the conclusion that, with energy and economy of management, many of the roads may permanently pay a good rate of interest upon their stock.

The following table exhibits the share price of the leading railways:

PRICES OF RAILWAY SHARES.

	Aug. 25.	Sept. 28.	Oct. 28.	Nov. 29.	Dec. 29.
New York Central	92⅞	94	97½	96½	96½
Hudson River	109½	109½	106½	108⅞	108½
Erie	87½	88	92½	91½	96½
Reading	105½	109½	114½	115⅝	106
Mich. So. and N. I.	64	68	73½	73⅝	74½
Illinois Central	122	129	137½	132	131⅝
Cleveland and Pittsburg	71½	71½	82⅝	91⅝	83½
Chicago and N. W.	27⅞	28	30	35½	35½
Chicago and R. I.	109½	112⅝	107½	107½	108
Fort Wayne	96½	98⅝	99½	105½	106½

There has been a pretty steady decline in the price of gold during the month. We give below the course of gold for December:

DATE	Open'ng	Highest	Lowest	Closing	DATE	Open'ng	Highest	Lowest	Closing
Dec. 1	148	148¼	148	148	Dec. 18	146¾	146⅝	146⅜	146⅝
" 2	147⅜	148¼	147⅜	148¼	" 19	146⅜	146⅝	146⅜	146⅝
" 4	147⅜	148⅜	147⅜	148⅜	" 20	146⅝	146¾	146	146
" 5	148⅜	148⅜	148⅜	148⅜	" 21	146⅛	146¾	145⅞	146
" 6	148	148	146¾	146¾	" 22	146	146⅛	145⅞	145⅞
" 7					" 23	145⅜	145⅜	145⅜	145⅜
" 8	146¾	146¾	145⅜	145⅞	" 25				
" 9	144⅜	145⅜	144⅜	144⅞	" 26	145⅜	145⅜	145⅜	145⅜
" 11	144⅞	145⅜	144⅜	145	" 27	145⅜	145⅜	14 ⅜	145⅜
" 12	144⅜	145⅜	144⅞	145	" 28	145⅜	145⅜	14 ⅜	145⅜
" 13	145⅛	145⅜	145	145⅜	" 29	145⅜	145⅜	145⅜	145⅜
" 14	145⅜	146⅛	145¾	146⅛	" 30	145	145	144⅞	144⅞
" 15	146⅜	146⅜	146¾	146¾					
" 16	146¾	146⅜	146	146					
Month						148	148⅜	144⅜	144⅞

The monthly fluctuations during the year have been as follows. We give elsewhere the price for each day of the year.

January	2⅛	284¾	197¼	204¾	August	144⅜	145⅛	140¾	144⅝
February	202⅜	216¾	198⅜	202	September	144⅜	145	142⅝	144⅜
March	200⅜	201	148⅛	157⅛	October	144½	149	144⅜	146⅜
April	151	154⅜	143⅛	146¾	November	145¾	148⅞	145⅜	147¾
May	145½	145¾	128⅛	137⅛	December	148	148⅜	144⅜	144⅞
June	137⅜	147⅝	135¾	141¾					
July	141	146¾	138⅛	144	Twelve months	226	234⅜	12 ¾	14 ⅛

The following tables are intended to show the principal movements in treasure for the years since 1860 to the end of 1865, and will explain in some degree the causes of the fluctuations in the prices of gold given elsewhere.

(1.)—GOLD RECEIVED FROM CALIFORNIA.

Months.	1862.	1863.	1864.	1865.
January	$2,199,532	$2,337,082	$939,201	$2,043,457
February	3,223,392	951,823	1,250,069	914,725
March	1,842,495	1,697,176	1,121,333	1,668,975
April	1,823,317	724,934	854,242	2,307,025
May	1,979,770	776,123	933,770	1,257,651
June	1,909,031	809,176	723,951	750,469
July	1,961,068	726,027	711,645	1,092,805
August	2,070,198	831,113	1,241,155	1,676,177
September	2,642,912	750,259	1,189,159	2,040,446
October	2,317,261	1,032,899	855,378	2,481,088
November	2,463,192	713,021	882,276	1,952,675
December	1,577,948	857,688	2,205,619	3,346,283
Year	$25,010,116	$12,207,320	$12,907,803	$21,531,761

(2.)—GOLD IMPORTED FROM FOREIGN COUNTRIES.

Months.	1860.	1861.	1862.	1863.	1864.	1865.
January	$228,050	$7,262,229	$183,658	$101,906	$181,790	$52,268
February	190,175	2,274,067	62,007	213,971	68,150	106,704
March	85,094	5,546,406	89,327	123,616	104,437	243,242
April	49,186	1,953,001	26,152	107,061	285,814	236,492
May	96,060	3,486,812	110,388	197,217	660,092	177,485
June	38,372	5,387,153	61,423	109,997	146,731	249,782
July	64,351	6,996,498	219,001	182,245	128,452	253,640
August	140,750	1,049,553	92,703	113,877	245,858	182,072
September	255,695	1,231,012	121,318	78,231	58,220	194,254
October	1,083,838	639,328	256,676	78,053	129,775	77,942
November	446,798	908,825	109,708	103,144	161,627	236,426
December	6,174,061	353,530	78,316	118,961	114,976	127,064
Year	$8,852,880	$37,088,413	$1,390,277	$1,528,279	$2,265,522	$2,137,016

(3.)—GOLD EXPORTED TO FOREIGN COUNTRIES.

Months.	1860.	1861.	1862.	1863.	1864.	1865.
January	$853,562	$2,059,202	$2,658,274	$4,624,574	$5,459,079	$3,184,853
February	977,009	2,528,737	3,776,919	3,965,664	3,015,367	1,023,201
March	2,331,663	3,488,926	2,471,233	6,585,442	1,800,759	881,913
April	2,995,502	1,643,262	4,037,675	1,972,834	5,883,077	871,489
May	5,529,936	979,145	5,164,636	2,115,679	6,460,930	7,245,471

Months.	1860.	1861.	1862.	1863.	1864.	1865.
June	8,842,080	885,062	9,867,614	1,367,774	5,170,551	5,199,473
July	6,553,935	2,069,591	8,067,337	3,268,881	3,209,887	723,986
August	7,454,818	1,558,824	3,713,532	5,465,261	1,001,014	1,554,398
September	3,758,734	1,642,583	3,058,919	3,480,385	2,835,398	2,494,973
October	2,106,395	1,672,617	6,707,519	6,210,156	2,496,221	2,516,226
November	525,091	1,951,385	6,218,250	5,438,363	7,267,662	2,046,180
December	202,401	2,334,847	3,673,112	5,239,053	6,103,377	2,752,161
Year	$42,191,171	$21,714 481	$59,437,021	$49,754,056	$50,803,122	$37,624,584

(4.)—GOLD PAID FOR CUSTOM DUTIES.

Months.	1860.	1861.	1862.	1863.	1864.	1865.
January	$3.899,166	$2,069,202	$3,351,657	$1,296,357	$6.179. 61	$4,276,309
February	3,373,043	2,528,737	3.565,464	2,706,004	7.488.511	4,823,214
March	3,477,546	3,488,923	4,626,862	4,298,419	7,670,193	5,471,026
April	2,444,268	1,643 262	4.149,952	3 892,818	14,658,573	6,389,560
May	2,466,463	979,145	4,704,925	3,726,161	3,908,058	8,230,195
June	2,094,193	885,062	4,664,927	3,594.934	3,348,011	7,887,554
July	4,504.0 6	2,069,591	7,211,818	4.724,076	3.641,302	9,908,190
August	4,496,243	1,55 ,824	4 762,582	6,028,589	6.272,002	13,190,400
September	3,038,803	1,642,583	5,239,046	7,008 116	4,118,210	13,037,062
October	2,622,078	1.672,617	4,309,420	6,206,704	3,697,335	11,064,409
November	1,794,749	1.851,385	3,003,270	5,114,905	3,487,561	10,138,601
December	1.171,853	2 334,847	2,664 594	5,271,991	3,467,368	8,378,335
Year	$35,327.481	$21,714,981	$52,254,117	$56,943,454	$67,926,585	$102,794,945

(5.)—GOLD INTEREST PAID AT TREASURY.

Months.	1864.	1865.	Months.	1864.	1865.
January	$3,156,904	$2,419,290	July	$1,881,009	$5,714,267
February	1,114,002	913,429	August	2.106,784	454 575
March	258,116	2.009.665	September	3,113,690	4,117,419
April	5,195,731	163,181	October	1,895 006	5,885,808
May	4,351,898	10,292,800	November	4,032,956	4,943,786
June	2,261,772	1,066,274	December	3,163,406	2,7c8,684
Total during the year				$33,126,874	$40,804,279

(6.)—GOLD IN BANKS AND SUB-TREASURY.

1st day of—	1862.	1863.	1864.	1865.
January	$29,030,031	$40,970,990	$37,992.534	$30,054,450
February	29,656,711	40,394,786	39,963,529	30,342,250
March	31,335,319	41,050,491	43,111,317	34,523,341
April	32,971,999	37,338,770	41,160,843	36,850,985
May	35,730,817	38,465,814	41,026.220	39,896,077
June	38,397,286	40,160,452	36,564,325	42,968,190
July	36,634,118	42,641,035	31,057.550	44,098,091
August	37,391,876	39,644,227	31,898,050	49.731,490
September	37,828,015	38,012,019	33, 07,799	52,408.863
October	41,382,201	39.146,457	31,944,614	46,595,964
November	40,804,481	38,370,251	33,955,967	44,565,483
December	38,154,379	36,847,190	28,961,268	50,694,027
Amount Dec. 31, 1865				$53,630,974

The following are the fluctuations in Exchange :

RATES OF EXCHANGE IN GOLD.

	London, 60 days.	Paris, 60 days.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Dec. 1	109⅜@109½	5.17½@5.16	40⅝@40⅞	40⅝@41	36½@36½	71⅝@72
" 8	109 @109½	5.16¼@5.15	40⅝@40⅞	40⅝@41	36¼@36½	71⅛@71⅝
" 15	109¼@109⅜	5.15⅝@5.15¼	40⅝@41	40¾@41	36⅜@36⅝	71⅝@72⅛
" 22	109¼@109⅜	5.16¼@5.15¼	40⅝@41	40¼@41	36⅜@36⅝	71¼@72
" 29	109¼@109½	5.16¼@5.15	40⅝@41	40¼@41	36⅜@36⅝	71⅛@71½

JOURNAL OF BANKING, CURRENCY, AND FIANCNE.

Increase of Bank Currency—Report of the Comptroller of the Currency—Bank Dividends—Bank Returns of New York, Boston and Philadelphia.

THE report to Congress of the Comptroller of the Currency presents many facts of interest, showing, among other things, the wonderful growth of the National Banking system.

In November, 1864, there were 584 associations, with an aggregate capital of

$108,964,597. Up to the end of October last 283 new banks had been organized, and 731 State banks converted, giving a total of 1,601 National Banks. Of these, no less than 679 were new institutions, while the capital of all the National Banks amounted to $502,573,793. It is, however, a remarkable circumstance, as Mr. Clarke very properly points out, that although "nearly all of the State Banks have voluntarily changed into National associations, this transformation has been accomplished without deranging the business of these institutions."

The National Bank currency in circulation on the 1st October was 190 millions, while the old State bank circulation amounted to 79 millions. It is true that the State bank notes are being withdrawn, and from the 1st of July next they will be virtually suppressed by a tax of ten per cent. But, on the other hand, the National Bank notes are increasing, and will soon reach the maximum of 300 millions, making our available paper currency amount to $960,167,326, while before the war the bank note circulation of the country never much exceeded 200 millions without producing over speculation, inflation of credit, and the other well-known precursors of financial revulsion.

The amount of circulation to which each State is entitled, on the ground of its representative population, has been greatly exceeded. This is contrary to the original intention of the banking law, but the extension was authorized at the close of the last session of Congress, when it was enacted that only half of the 300 millions should be distributed according to population, while the other half should be allotted by the Secretary of the Treasury. Out of this change has grown the demand for more currency for the Western, and chiefly for the Southern States, which, it is contended, are deprived of their fair share. A method of meeting this demand, without increasing the aggregate volume of the currency, Mr. Clarke proposes in the following terms:

"In view of the urgent demand that will undoubtedly be made for an increase of the national bank circulation, and as a gentle mode of further reducing the volume of legal tender notes, it is suggested that the national currency act be so amended as to allow an increase of the limit to four hundred million of dollars, on conditions only that all the banks be required to redeem their notes in New York, Boston or Philadelphia; and also that an issue of six per cent 5-20 bonds be authorized to the amount that it will require to secure the additional circulation under the provisions of the act, which bonds the banks, when organized, shall purchase as each may require of the Secretary of the Treasury, at such fair rate as he may from time to time prescribe, but not less than their par value, and pay for the same in the United States legal tender notes, and all notes so received shall be cancelled and destroyed. The bonds so issued would not affect the price or demand for other bonds, as they would be held as security for the circulation, and only offered in market in the event of the failure or closing of a bank. With the requirement to redeem at the central and accessible points mentioned, there would be but little danger of bank issues exceeding the limits prescribed by the demands of legitimate business."

It is superfluous to say that we do not approve of any extension of the bank currency beyond the 300 millions authorized by law. Congress, we trust, will resist all attempts to urge such an increase under any pretext whatever. As there has been an undue issue in certain sections of the country the obvious remedy is to withdraw the excess from those sections. It is a very pernicious policy to correct one over issue by another. In the deranged and depreciated state of our paper money every consideration of the public good and every principle of sound finance condemns further issues as dangerous. Moreover, it is not the least of the objections to Mr. Clarke's proposal that it would

check and render nugatory all attempts at contraction for some time to come.

The profits of the banks throughout the country have been very large the past year. We have compiled the following table, showing the dividends of the New York banks for the past year, compared with those of the preceeding five years:

DIVIDENDS OF NEW YORK CITY BANKS.

Companies.	1860.	1861.	1862.	1863.	1864.	1865.	Latest.
America	7	7	7	8	10	10	Jan., 1866..5
American	..	..	..	..	..	4	Oct., 1865..4
American Exchange	7	8½	6	7½	9	10	Nov., 1865..5
Atlantic	..	..	..	..	9	10	Jan., 1866..6
Bowery, (new)	..	..	..	..	..	..	.....
Broadway	10	10	10	11	20	22	Jan., 1866.12
Bull's Head	8	8	8	11	12	15	Jan., 1866..4 q'y
Butchers' and Drovers'	10	10	10	10	10	15	Jan., 1866..5
Central	..	..	..	..	6	12	Nov., 1865..6
Chatham	7	6½	..	9	10	13	Jan., 1866..7
Chemical	10	24	24	24	24	24	Jan., 1866..6 q'y
Citizens'	8	8	7½	8	8	14	Jan., 1866 5
City	8	8	8	8	12	12	Nov., 1865..6
Commerce	7	6	6	7	8	10	Jan., 1866..5
Commonwealth	7	6½	6	7	10	10	Jan., 1866..5
Continental	7	8	6	7	8	8	Jan., 18 6..5
Corn Exchange	7	7	7	7½	9	10	Aug., 1865. 5
Croton, (new)	..	..	..	..	..	..	.....
Currency	..	..	..	..	..	45	Jan., 1866.15 q'y
Dry Dock	8	7½	7	7	7	7	Jan., 1866..3½
East River	7	7	7	7	8	8	Jan., 1866..4
Eighth National	..	..	..	..	..	10	Jan., 1866..5
Fifth National	..	..	..	..	..	8	Jan., 1866..5
First National	..	..	..	..	30	20	Nov., 1865.10
Fourth National	..	..	..	..	4	9	Jan., 1866..5
Fulton	10	10	10	10	10	10	Nov., 1865..5
Gallatin (National)	7	6½	6	8	10	10	Oct., 1865..5
Greenwich	12	12	12	12	12	12	Nov., 1865..6
Grocers'	7	7	7	8	10	10	Jan., 1866..5
Hanover	7	6½	6	6½	9	11	Jan., 1866..6
Imp. and Traders'	8	7	6½	7½	8	10	Jan., 1866..4
Irving	7	6	..	8½	8	5	Jan., 1866..5
Leather Manufacturers	10	10	10	10	10	10	Aug., 1865..5
Manhattan	10	9	8	10	10	10	Aug., 1865..5
Manufacturers	5	10	10	7	8	9	Jan., 1866..5
Manuf'rs & Merchants	..	..	6	8	10	10	Jan., 1866..5
Marine	6	8½	7	9	12	16	Jan., 1866..6
Market	7	6½	6	7	8	11	Jan., 1866..6
Mechanics'	8	7½	7	7½	9	15	Jan., 1866..5
Mechanics' Banking Association	7	7	7	7½	8	10	Nov., 1865..5
Mechanics & Traders	8	7	7	10	10	10	Nov., 1865..5
Mercantile	10	9	8	10	10	10	Nov., 1865..5
Merchants	7	6½	6½	7	9	10	Dec., 1865..5
Merchants' Exchange	7	6½	6	6½	7½	9	Jan., 1866..5
Metropolitan	8	7	6	11	9	15	Jan., 1866..6
Nassau	7	6	6½	7	8	10	Nov., 1865..5
New York	6	6	6	7½	10	10	Jan., 1866..5
New York County	7	6½	6	8½	11	16	Jan., 1866..9
New York Exchange	9	7	7	14	61	9	Jan., 1866..6
Ninth National	..	..	..	..	..	10	Jan., 1866..5
North America	7	7	6½	7½	8	15	Jan., 1866..5
North River	7	6½	8½	7	8½	11	Jan., 1866..6
Ocean	7	6½	..	6	8	8	Aug., 1865..4
Oriental	7	6½	6	6½	7½	10	Aug., 1865..5
Pacific	10	10	10	10	15	20	Nov., 1865..5
Park	8	8	8	9	20	22	Jan., 1866..7
People's	7	7	7	7	8	9	Jan., 1866..5
Phœnix	7	7	6	7	8	10	Jan., 1866..4
Republic	10	9	..	7½	8	10	Aug., 1865..5
St. Nicholas	6½	..	8½	7½	8	10	Aug., 1865..5
Seventh Ward	10	10	10	..	..	..	.....
Second National	..	..	..	..	5	10	Nov., 1865..5
Shoe and Leather	8	8	8	8	8	8	Jan., 1866..5
Sixth National	..	..	..	..	5	12	Nov., 1865..6
State of New York	7	6	6½	7½	10	10	Nov., 1865..5
Tenth National	..	..	..	..	..	10	Jan., 1866..5
Third National	..	..	..	..	5	9	Jan., 1866..5
Tradesmen's	8	7	6½	7½	11	16	Jan., 1866..7½
Union	6	6	7	9	10	10	Nov., 1865..5

The dividends declared for January, 1866, are not included in the aggregate dividends given for 1865.

It has always been hitherto observed, that under the influence of a depreciated currency, while the inflation was going on almost all the banks prospered and made immense profits; but when the reaction came, and contraction of currency brought a contraction of credits, great numbers of the banks failed. The first half of this circle of results we see reflected in the dividends of 15, 20, 40, and even 60 per cent recorded above. Shall we ere long see the second part of the circle? or will our bankers have caution enough to foresee and provide against the evil day, which may be nearer than the most clear sighted of us suppose? One of the most suggestive facts relative to the foregoing dividends, is that some of the banks having the largest capital and the safest, most judicious management seem to earn the more limited profits. Of the dividends on the eighty millions of banking capital above represented, the smallest institutions carry off the largest prizes.

We give below the returns of the Banks of the three cities the past few weeks, omitting the returns previous to this month.

NEW YORK CITY BANKS.

Date.	Loans.	Specie.	Legal tender.	Circulation.	Deposits.	Clearings.
Dec. 2,	229,197,844	13,431,103	48,220,803	15,867,400	175,523,884	487,015,569
" 9,	227,839,344	16,622,780	48,271,757	16,570,513	176,480,562	420,105,053
" 16,	227,814,356	16,981,485	48,887,556	16,724,725	167,247,251	501,690,868
" 24,	228,572,034	16,065,037	53,841,520	17,629,125	183,021,870	507,237,904
Jan. 2,	229,445,780	15,331,769	71,134,996	17,990,689	189,224,861	395,281,042
" 8,	233,185,659	15,778,471	71,617,437	18,588,428	195,482,251	370,617,523

The following are the returns of the Philadelphia Banks:

PHILADELPHIA BANKS.

Date.	Loans.	Specie.	Circulation.	Deposits.
November 27,.....	45,415,940	003,181	7,065,275	34,050,109
December 4,.....	45,662,762	891,998	7,084,286	34,995,188
" 11,.....	45,596,827	896,141	7,123,240	34,310,272
" 18,.....	45,598,293	937,838	7,141,389	34,272,551
" 26,.....	45,650,801	598,565	7,169,293	34,117,482
January 2,.....	45,941,001	890,822	7,226,369	35,342,306

The statement of the Boston banks the last three weeks, shows the following results:

BOSTON BANKS.

	Jan. 1.	Dec. 25.	Dec. 18.
Capital.....	$41,900,000	$41,900,000	$41,900,000
Loans.....	91,421,477	88,481,540	86,917,722
Specie.....	801,415	657,005	657,831
Legal tender notes.....	19,807,300	19,865,928	18,900,074
Deposits.....	38,451,794	38,481,794	36,987,613
Circulation (national).....	21,497,354	21,146,721	20,812,873
Circulation (state).....	1,404,721	1,480,718	1,550,280

CONTENTS OF JANUARY NUMBER.

ART.		PAGE
1.	Mercantile Biography: Hiram Walbridge	6
2.	Finances of Cincinnati	16
3.	Analyses of Railroad Reports. No. 4	18
4.	Our Resources. By H. C. Carey	31
5.	Commercial Law.—No. 29. Marine Insurance	52
6.	Abstract of the Report of the Postmaster General	57
7.	Report of the Secretary of the Treasury	61
8.	The United States Debt	76
9.	Commercial Chronicle and Review	77
10.	Journal of Banking, Currency, and Finance	85

THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

FEBRUARY, 1866.

OF THE BALANCE OF TRADE.

BY C. H. CARROLL.

In our zeal to maintain the principle of human freedom, we must not overlook important errors which are being extensively advocated, and bid fair to become permanently a part of the government policy. One of these is the doctrine of the "balance of trade" teaching that an excess in the currency value of exports over imports, is an aggregate of commercial balances of account against foreign countries; while an excess of imports over exports is an aggregate of commercial balances in favor of foreign countries. The former, it is argued, should be increased, and the latter prevented as much as possible by legislation. Hence we find a high tariff maintained with the view of checking imports.

Yet, if this method of calculating increasing wealth is reliable for a nation, why is it not equally reliable for an individual? If the nation gets rich by parting with more value than it receives, why should not the individual get rich whose expenditure exceeds his income? The philosophy of the balance of trade, as set forth by its advocates, comes to this ridiculous conclusion, that a cargo exported, costing $100,000 according to the Custom-house records, which returns only $80,000 in the imports, gives a national gain of $20,000. What does the merchant owner think about it? By the same rule were the cargo sunk in the ocean, it being an excess of exports altogether, it must be reckoned as $100,000 clear profit to the country!

One of the advocates of this doctrine states that he finds the balance of trade in favor of the United States in the excess of exports for a series of years to be as follows:

	Total exports.	Total imports.	Excess of exp'ts.
1854-55	$275,156,846	$261,468,520	$13,688,326
1855-56	326,964,908	314,639,942	12,324,966
1856-56	302,960,682	360,890,141	2,070,541
1857-58	324,644,421	282,613,150	42,031,271
1858-59	356,789,462	338,768,130	18,021,332
1859-60	400,122,296	362,163,941	37,958,355
1860-61	410,856,818	352,075,535	58,881,283
1861-62	229,790,280	205,819,823	23,970,457
1862-63	331,809,459	252,187,587	79,621,872
Total excess of exports			$288,568,403

After giving this table, the writer encourages the country with the consideration that "the scale of excess of exports established in 1854–55, rises gradually and steadily to 1863. Its average for the last two years, the worst of the war, is $51,800,000 each year. Its average for the two years preceding the war, 1858–59 and 1859–60, was $28,000,000 each year only." This statement includes the mutual exchanges of gold. And, being desirous to make the largest admissible exhibit of the excess of exports, he repudiates the idea that the paper prices of exports affect the result, and furthermore maintains that the export commerce is habitually returned short; the inference being that if strict accuracy were obtained, the "favorable balance of trade" would be considerably more than the above figures.

To all such reasoners the question should be put, when, where and how is this continually extending balance of trade to be collected and discharged. Is it sufficient for the nation to have it constantly accumulating, and never get anything for it?

In England the account and the argument are directly the other way. For example, the British imports in 1854 amounted to £152,380,053; exports £115,821,092, the excess of imports being £36,567,961. In 1860 the imports were £233,626,830; exports £191,205,421; excess of imports £42,421,418. In 1863 the imports were £248,980,942; exports £146,602,409; excess of imports £102,278,533, while in 1864 the imports were £269,246,000, and the exports £160,809,698, making an excess of £108,809,698 of imports. Thus in these four years there is an excess of imports amounting to about twenty hundred millions of dollars; or about five times the total of the exports in any one year from the United States to all the world.

Now can any one be so mentally blind as to suppose that Great Britain is running in debt to other countries at this rate, or that she is pursuing her foreign commerce at a prodigous loss? A more probable argument might seem to be that Great Britain imports raw material to a great amount, augments its value by her industry, exports the manufactured article, and finds her profit in the returns.

Thus we see that this whole matter of the balance of trade is very much of a delusion, as it is generally presented and understood. Its significance is in the international value of money and in restraints upon commerce. Cheap money means high prices. Duties on imports operate in the same direction, and the nation afflicted with these disabilities works to a disadvantage, except in the case of money cheapened by mining, which, being capital, is exported (when in natural excess) in exchange for other capital, and is thus a source of national wealth like every thing else produced cheap for foreighn commerce, that is to say, in excess of the home demand. California and Australia produce money cheap because of their natural advantages for its production; and as cheap capital they supply their wants with the excess of money as our Western States supply their wants with their cheap capital in the excess of Wheat. The great affair is to produce cheap capital of the most desirable and exchangeable character. It matters little whether it be money or merchandise.

The community possessing the most capital in relation to population will have the cheapest capital, and the lowest general prices, unless their value are disorganized by a false currency, or artificial arrangement and

restrictions of trade, and they will have the advantage of all the rest of the world in foreign commerce. With lower general prices they will produce cheaper than other communities; their foreign adventures will cost less, and bring greater profits; and these profits will appear in an excess of imports. This is the true balance of trade; it is no debt, but a balance of profits; an accumulation of capital in foreign trade.

England has this "balance of trade" in her favor; hence her continued excess of imports, and this excess will continue to increase under the free trade system and limited currency; while under our high tariff exclusive system and expanded currency we shall have the "balance of trade" the wrong way in excess of exports, giving England the advantage in international commerce continually.

A relative of the writer travelling in Europe at this time says he has purchased four suits of clothes for ninety dollars in London which would have cost him two hundred dollars in New York or Boston, as he took particular pains to ascertain the prices here before he left home. This, allowing 50 per cent for the premium on gold, is obtaining a value of one hundred dollars by our gold measure, for sixty-six and $\frac{67}{100}$ dollars in England. Suppose this to be the average rate at which the necessaries and conveniences of life can be obtained in England, as compared with the United States, then it is not merely possible but probable, that a cargo for export may be obtained in England for sixty-seven thousand dollars that would return the value of one hundred thousand dollars; yielding thirty-three thousand dollars profit in the excess of imports over exports; while a cargo of the same relative value here would cost one hundred thousand dollars in gold, and return simply its cost. Hence England would make a profit of thirty-three per cent in foreign trade where the United States would make nothing at all. Yet if the Custom House records even exhibit an excess of exports it does not follow that there is any absolute loss to this country in the business, since we export overplus products only, and whatever we obtain for them, more or less, is in a national point of view clear gain. That is to say, we support ourselves, pay all our expenses of living and of production, and have these surplus products left. They are of no value except for export, and the returns they bring us are therefore, national accumulation and profit.

An explication will make this point clear, and show the fallacy of this doctrine of the balance of trade. Let us suppose that by an expansion of currency through banking, or government paper issues, we make general prices here fifty per cent higher than they are in England; it would follow that the same quantity of labor and capital which would produce a barrel of flour in the country for six dollars would produce the same value in broad cloth, say a yard, in England for four dollars; in other words there would be this difference in prices for the same value in the respective countries of all commodities. Then suppose England sends us an invoice of 1000 yards of board cloth which is entered in our Custom-House records at the aggregate price of $4,000, and, being sold here under our inflation so as to produce the net sum of $6,000 we return an invoice of 1,000 barrels of flour at the aggregate price of $6,000; where and what is the balance of trade? There is no such thing. The 1,000 barrels of English broadcloth costs the United States 1,000 barrels of flour, and the 1,000 barrels of United States flour costs England 1,000 yards of broad

cloth; neither more nor less. The account is closed. England owes nothing for the difference, because values are exchanged, not prices, and this difference of $2,000 is mere price, the result of an artificial depreciation of the value of money in this country. The two nations gain equally by the exchange, since surplus products are supplied to each other of equal value. Money being the thing tampered with by adulteration, remains untouched in this transaction, as between the two parties to the exchange, and has no more to do with the balance of trade than an equal value of beef, or corn, or wine, which remains untouched in either country.

But suppose, what is very sure to happen, that England takes $6,000 of gold instead of 1,000 barrels of flour for her broadcloth; then she takes our artificially depreciated commodity, and gets $6,000 of money for a real money value in broadcloth of $4,000, which we raise in price to $6,000 by adulterating our currency. She thus gains $2,000 of *value* that we lose by our own folly. This is a balance of trade that is better missed than found. Its advocates, however, call it national gain. I know what I say when I call it a dead loss; we might as well plunge two thousand dollars of gold into the sea.

Unpracticed thinkers find some difficulty in comprehending that the dollar is not a fixed value. Make it of gold, or make it a promise to pay gold, interchangeable with gold, and men, of whose intelligence, better things should be expected fail to discover that an increase of supply depreciates its exchange value, precisely as every other instrument or object of commerce is depreciated in value. The dollar being the currency, unit, the depreciation of its value exhibits itself only in the rise of general prices, and more dollars must be given in exchange for other values than before. When we add dollars of debt to our currency, interchangeable with dollars of gold, until six have no more purchasing power than four possessed before, it is inevitable that foreigners will take our dollars and leave our flour, until it gluts the home market insupportably, or its production is reduced to correspond with the demand. Thus we throw away capital and stop an equal amount of production by the same suicidal act,—a double loss, like the difference to a merchant between making $2,000 and losing $2,000 which is $4,000 in his stock account.

Here an objector may say, that with an open commerce gold cannot remain one third cheaper in one country than in another, which is the same thing as saying that general prices cannot remain one-half or 50 per cent higher. On this point, what is supposed to be scientific teaching differs from the fact of experience, and, as science is simply experience classified, the theory must give way where it is contradicted by the well observed fact. The fact is, that under the operation of a currency of debt, which can be made to suit the interest of its producers, general prices can remain 50 per cent higher in one country than in another, or in all others, for an indefinite period, sometimes for several years, mainly because most of the values of every country are not objects of international exchange, but in a great degree because the makers of such a currency protect themselves by bond and security against its effects. They lend no value, no capital, but promises which create price without value, and throw upon their debtor the obligation to furnish the value and capital to pay the false price and meet such promises. Generally the currency maker is protected and paid, but the value which is put in his hands to

enable him to redeem his obligation he never loaned; it is robbing Peter to pay Paul, and Peter fails. A price that is not a value may be *kited* in the exchanges of domestic commerce for years, but when its ultimate payment in value is demanded somebody must fail, for a value cannot be paid that never existed. It is, as I have on another occasion remarked, like circulating promises to deliver several Kohinoor diamonds, there being but one in existence; the promises may circulate so long as the issues are protected from an absolute demand for payment; but the one diamond being demanded and sent out of the country because its value is greater abroad than where the spurious promises circulate and cheapen it, the several promises for which there is no diamond to respond must be discharged by insolvency. Whether one diamond or millions of them, one dollar or millions of them, or anything else, form the basis of fictitious promises, a currency so constructed must plunder those who become bound with endorsers to save the issuers harmless. But while the issuers are saved the currency can be maintained so as to inflate prices not merely 50 per cent but even 400 per cent beyond the natural money value, and yet under specie payment, as the experience of France with Law's banking and Mississippi scheme clearly shows.

Charles Mackay, in his historical sketch of the Mississippi scheme says: "The looms of the country worked with unusual activity to supply rich laces, silks, broad cloths, and velvets, which being paid for in abundant paper increased in price four-fold. Provisions shared the general advance; bread, meat, and vegetables were sold at prices greater than had ever before been known, while the wages of labor rose in exactly the same proportion. The artisan who formerly gained fifteen sous per diem now gained sixty."

This four-fold rise of general prices was nothing but a fall of three-fourths in the value of money, and the cheapened commodity; money rushed out as fast as foreigners could pour other capital into France to exchange for it. Edicts of the Government, the most despotic, and persecution the most odious, were powerless to prevent this. Plate and expensive jewelry were secretly sent away to England and Holland, and ludicrous devices were adopted to escape the vigilance of the Government. "Vermalet, a jobber who sniffed the coming storm, procured gold and silver coin to the amount of nearly a million of livres, which he packed in a farmer's cart, and covered over with cow dung; he then disguised himself in a dirty smock frock, or blouse, and drove his precious load into Belgium. From thence he soon found means to transport it to Amsterdam."

"Notwithstanding every effort to the contrary the precious metals continued to be conveyed to England and Holland. The little coin that was left in the country was carefully treasured or hidden, until the operations of trade could no longer be carried on.

Law then obtained an edict forbidding the use of specie altogether, which destroyed the credit of the bank paper irrevocably, and drove the country to the very brink of revolution. The illusion created by his system of banking, of which the Mississippi scheme was but an off shoot, lasted four years—1716 to 1720—when the iniquitous contrivance concrumbled into ruin, destroying not traders only, but the fortunes of many of the wealthiest and best families of France.

No one having a knowledge of commerce, to say nothing of political economy, will deny that cost of production is an essential element of market value in every commodity, and also that the currency and demand of the consumer finally determines its selling price over and above the cost of production, and the effect of the high price he pays, if convertible into value, is to enhance the price and value of imports in the market of production. In every way and without exception the result of employing a paper or debt currency is to benefit the foreign to the damage of the home market. Thus France, under Law's currency scheme, became the dearest market to sell in in the world.

The surplus products of every commercial nation must be sold at such rates as foreigners will pay, so that the producers of such products get no advantage from the paper inflation at home. Generally nations without mines of the precious metals, and without a paper currency, pay for their imports directly in their own products without difficulty, and without exporting gold and silver which they receive in their returns; and if we possessed statistics of the foreign commerce of France during the eventful four years of Law's experiment, I have no doubt we should find that her home products would have paid for all her imports, and did so in fact, if the imports had been reckoned at the natural money value, so that the money which made up the "balance of trade" in the excess of exports was completely thrown away. The kingdom would have been stripped of the precious metals at that time, virtually for nothing, but for the habit of hoarding among the people induced by a long continued distrust of the government.

If what has been said is correct, then a protective tariff which is with many the panacea for all the ills of commerce, and especially for what is thought to be an adverse balance of trade is an evil. Of course the object and the operation of the tariff is to raise the price of both foreign and domestic products to consumers, so that certain individuals may be enabled to direct the industry of the country into unnatural channels and supply the home market with commodities directly, that can be supplied cheaper indirectly through foreign commerce. And this it is contended, by checking imports, will save our gold and silver coin and bring about the desired "balance of trade" in an excess of exports. That, with a debt currency, it tends to a nominal excess of exports there would seem to be no doubt, for the same reason that cheap money induces high prices which cripple foreign commerce and change the export demand from merchandise to money. I repeat that while a debt currency circulates in the country the money included in the excess of exports, is thrown into the lap of other nations in payment of a false price for their products to our utter loss. The tariff promotes this loss by indirection, by raising our home prices and preventing profit in foreign trade which would exhibit itself as it does in England in an excess of imports.

Has the tariff policy which has been pursued with rigor, but with vexatious irregularity, ever since the close of the war of 1812 saved to the nation the precious metals imported and mined here since that date? The answer to this question in to be found in the fact that not more than $200,000,000 probably remain in the country outside of the arts and hoards.

TREASURE MOVEMENTS DURING THE REBELLION.

In this number we give a comprehensive exhibit of the movements of treasure, at New York, for each month of the last seven years; the fluctuations of which deserve careful analysis, as illustrating the monetary derangements connected with the war and the supply of the precious metals at its close.

The first result of the outbreak of hostilities was to draw a large amount of specie from abroad. The prospect of a limitation of the business of the country induced a contraction of importations; and, having a large surplus of produce for exportation, our exports so for exceeded our imports that, in 1861, we imported $37,088,413 of specie, seven times the average amount of the two preceding years. This large accession of coin would have materially strengthened the banks in aiding the government and might have enabled us to surmount easily the first financial demands of the war, had it not been that the failure of confidence throughout the country caused a rapid and extensive withdrawal of money from this centre. Credit was suddenly curtailed; and the result was that the circulating medium was needed everywhere to supply the place of the usual forms of individual promises-to-pay; while the banks of the interior partly from mistrust of the ultimate ability of the New York banks to meet their obligations and partly because they were pressed by depositors for coin, withdrew their balances from the banks of this city. Not a few cautious individuals and most of the foreign bankers took the same course, so as to be prepared for any possible adverse contingency. The result of these movements was that, in 1861, $68,408,112 of specie was returned from this market into the interior and into hoards, nearly $27,000,000 of the amount going in the month of December. The receipts from California during that year were at about an average rate, amounting to $34,485,949. The whole movement for the first year of the war, 1861, may be thus summarised:

In the Banks and Sub-Treasury, Jan. 1, 1860	$30,100,000	
Received from California	34,485,949	
Imported from foreign ports	37,088,413	
Received from inland and hoards	.....	
Total supply for 1861		$100,674,362
Exported to foreign ports	4,236,250	
Returned inland and into hoard	68,408,112	
Total withdrawn		$72,644,762
In Banks and Sub-Treasury Dec. 31, 1861		$29,030,000
Loss during 1861		1,070,000

The large withdrawals of gold at the close of 1861 precipitated the suspension of the banks; which was followed by a gathering in of their balances from the interior, producing a return current of specie to this centre. This movement continued throughout 1862, and for the year the amount gathered in from hoards and drawn from the interior amounted to $43,907,957. The return current was stimulated by the issue of United States notes, Demand notes, and 7-30 Treasury notes, of which, combined, there was outstanding, on the 30th June, 1862, $272,496,550.

The issuing of this large amount of paper currency lessened the requirements for coin as a circulating medium, and treasure was, consequently, free to follow its tendency to gravitate toward this centre. The passing of the legal tender act was followed by a general withholding of coin from circulation; which still further aided the return current. The effect of these issues of currency was to steadily force up the premium on gold, which, at the beginning of July reached 10, and at the close of December 33. Gold and silver coin being then no longer a currency, but practically an article of merchandize, and being non-productive to its holders, it naturally returned to this point, where, for the purposes of customs duties, exportation, and speculation, it was in active demand. Under these circumstances it was not remarkable that of the sixty-eight millions withdrawn into hoards and inland during 1861 forty-four millions should have been recovered from those sources in 1862; nor was it singular that, during the whole of the latter year, not one dollar was withdrawn to those sources. The disturbance of confidence exhibited its natural results in the extraordinary export, during 1862 of $59,437,021 of specie; foreign capitalists calling home their balances held here, foreign bankers sending abroad their gold for safe keeping, while even domestic capitalists sent out large amounts of coin from the same motive; a movement which, owing to a decrease of produce exports, there was no favorable balance of foreign exchanges to obviate. The following statement will indicate the movement of treasure during 1862:

In the banks and Sub-Treasury Jan. 1, 1862	$29,060,000	
Received from California	25,079,787	
Imported from foreign ports	1,390,277	
Received from inland and hoards	43,907,057	
Total supply for 1862		$100,402,021
Exported to foreign ports	$59,437,021	
Returned inland and to hoards	.....	
Total withdrawn		$59,437,021
In banks and Sub-Treasury Dec. 31, 1862		$40,971,000
Gain during 1862		11,941,000

The year 1863 was chiefly remarkable for the reduction in the receipts from California, resulting from the dangers of capture by rebel privateers. The receipts from that source for the year amounted to only $12,207,320, about one-third the average Pacific supply. The receipts from abroad were merely nominal, aggregating for the year $1,528,279. The supply from the interior and from hoards continued to flow in steadily, from the causes above indicated, commencing with $1,509,382 for January, and closing with $5,427,748 for December, and aggregating for the year $33,040,001. The exports to foreign countries amounted to $49,754,056, and would have reached a much larger sum but for the fact that large amounts were shipped from San Francisco to Europe on New York account. During this year, also, there was no movement whatever into hoards or to the interior, the general disposition apparently being to realise upon gold rather than to hold it idle. This fact is worthy of special note, as it wholly disproves the oft reiterated assertion that the unsetled condition of the finances, and the advancing premium on gold induced an extensive hoarding of coin. The truth is, that during the second and third years of the war—1862 and 1863—$8,536,946 more was drawn from hoards and inland than was withdrawn into those

sources in the first year. The movement of treasure during 1863 was as follows:

In the banks and Sub-Treasury Jan. 1, 1863	$40,971,000	
Received from California	12,207,320	
Imported from foreign ports	1,528,279	
Received from inland and hoards	33,040,001	
Total supply for 1863		$87,746,590
Exported to foreign ports	49,754,056	
Returned inland and to hoards		
Total withdrawn		$49,754,056
In banks and Sub-Treasury Dec. 31, 1863		$37,992,534
Loss during 1863		2,978,466

In 1864, the supply from California continued on the same limited scale as in the previous year; while the imports from foreign countries were still merely nominal; the receipts from both sources aggregating only a little over fifteen millions. The receipts from the interior and from hoards reached $30,294,221; but as there were withdrawals in that direction amounting to $2,599,508, the net accessions from those sources were only $27,691,723; or less than in 1863 by $5,348,268.

It is worthy of note that during July, when the passing of the Stevens gold bill put up the price of gold to 285, there was a large influx from hoards and inland; and that during August and September, when the price fell steadily to 190 the receipts from those sources declined to a merely nominal amount; while in October, when the price reacted to 227, the same supplies rose to much above the average rate. These facts furnish another indication that gold was most freely thrown upon the market when the price was advancing. The following statement exhibits the movement of treasure at this port for the year 1864:

In the banks and Sub-Treasury Jan. 1, 1864	$37,992,534	
Received from California	12,907,803	
Imported from foreign ports	2,265,522	
Received from inland and hoards	30,291,221	
Total supply for 1864		$83,457,080
Exported to foreign ports	$50,803,122	
Returned inland and to hoards	2,599,508	
Total withdrawn		$53,402,630
In banks and Sub-Treasury, Dec. 31, 1864		$30,054,450
Loss during 1864		7,933,084

At the opening of 1865, the rebel cruisers had ceased to haunt the track of the Aspinwall steamers and the receipts of gold from California, therefore, steadily augmented, the monthly arrivals having averaged, for the first two months of the year, $1,478,596, and for the two last months $2,649,479. The total receipts for the year, however, are but little more than half those of 1859. As the year opened with gloomy prospects for the rebellion, the opinion became general that the future course of the gold premium must tend steadily downward. There was, consequently, a general desire to convert gold into greenbacks. This disposition predominated throughout the year, and hence gold has continued to flow in freely from the interior and from hoards, the aggregate receipts from those sources being $37,532,311. During September and October a large increase in the imports of merchandize and disappointment as to the amount of the exports of produce, had the effect of producing anticipations of a large export demand for specie, while the requirements

of importers, for duties, were vastly beyond all precedent. This again produced a disposition to hoard, and during those two months $7,620,901 was hoarded and taken into the interior. The lightness of the imports during the first half of the year, and the large export of Government and other securities to Europe having tended to keep foreign exchange easy, the export of specie has been comparatively light, being about twenty millions below the average. The exports, indeed, have been only $6,334,887 more than the combined receipts from California and from foreign ports, while in 1864 the exports were $35,629,797 above the supply from those sources. The treasure movement of last year was as follows:

In banks and sub-treasury, Jan. 1, 1865	$30,054,450	
Received from California	21,581,786	
Imported from foreign ports	2,137,011	
Received from inland and hoards	37,582,311	
Total supply for 1865		$91,255,558
Exported to foreign ports	$30,003,683	
Returned inland and to hoards	7,620,901	
Total withdrawn	$37,624,584	
In banks and Sub-treasury, Dec. 31, 1865		$53,630,974
Gain, during 1865		23,576,594

The present condition of the banks and Sub Treasury, as respects treasure, is one of unusual strength, the supply held at the close of 1865 being thirteen millions larger than at the same period of any of the last seven years. It must not, however, be hence concluded that the country is stronger in coin and bullion than formerly. The following statistics afford evidence that the increase of the supply at large is apparent rather than real. The figures represent the aggregate for the seven years ending December 31, 1865:

In banks and Sub-Treasury, Jan. 1, 1859	$32,233,000	
1859-65—Received from California	180,385,636	
1859-65—Imported from foreign ports	56,078,253	
1859-65—Received from inland and hoards	182,765,623	
Total supply for seven years 1859-65		$451,462,510
1859-65—Exported to foreign ports	306,141,769	
1859-65—Returned inland and to hoards	91,690,357	
Total withdrawn in seven years		$397,831,526
In banks and Sub-Treasury, Dec. 31, 1865		$53,630,986

From these figures it will be seen that our exports to foreign countries, during the seven years, have exceeded our receipts from California and from foreign sources by $69,677,280. The receipts from hoards and inland have exceeded the amount returned to those sources by $91,075,246. Of this net amount of withdrawals from the interior and hoards, $69,677,280 has gone abroad, and the remainder represents the increase during the seven years in the amount held by the banks and Sub-Treasury. The important question whether the country at large, exclusive of California, has lost gold during the seven years depends upon whether the interior and the hoards have been replenished from sources independent of New York, to an extent equal to the net drain therefrom to this city. As that problem is one incapable of solution, from lack of the necessary data, it is impossible to indicate satisfactorily whether the supply in the country has augmented or decreased during the seven years.

MARINE LOSSES—DISASTERS IN 1865.

During the year 1865, disasters have been reported at New York to 1,490 vessels of all classes. Of these about 500 were total losses. The latter part of the year has been particularly noted for the value of the vessels lost. A large number of steamers principally engaged in the coasting business have materially increased the list and unfortunately added a great loss of life to the loss of property.

It will be seen from the following statement that the total disasters exceed those of either of the last five years. In fact no season since 1854 has equalled this in marine losses, although the increased strength of our Marine Insurance Companies will render the loss comparatively light to them.

NUMBER OF DISASTERS REPORTED AT NEW YORK DURING THE LAST FIVE YEARS INCLUDING TOTAL AND PARTIAL.

	Steamers.	Ships.	Barks.	Brigs.	Schooners.	Total.
1861	49	231	182	168	332	963
1862	44	233	219	189	325	1,010
1863	71	340	217	206	474	1,308
1864	46	280	119	165	290	900
1865	75	197	260	357	591	1,490
	285	1,282	997	1,085	2,002	5,651

The amount of loss during 1865 is $20,000,000 distributed in great part between New York, Boston, Philadelphia and other American Underwriters, whilst a portion will fall on owners and foreign Underwriters. The following statement will show approximately the value of the losses each month for five years with the totals.

ESTIMATED VALUE OF LOSSES.

	1861.	1862.	1863.	1864.	1865.	Total.
January	$2,930,400	$1,825,600	$1,430,200	$1,650,000	$960,000	$8,796,400
February	2,403,700	1,529,200	1,175,000	2,850,000	673,000	8,130,900
March	2,6[illegible]8,500	2,340,800	1,340,000	1,460,000	1,947,000	9,736,300
April	1,617,550	1,416,300	1,950,000	1,830,000	944,000	7,757,850
May	2,825,600	1,735,700	2,100,000	960,000	740,000	8,361,300
June	923,500	960,000	2,230,000	650,000	560,000	5,323,500
July	932,500	647,000	1,800,000	1,850,000	620,000	5,849,500
August	576,900	428,000	1,250,000	1,370,000	1,950,000	5,574,900
September	956,450	616,000	1,560,000	750,000	940,000	4,822,450
October	700,850	1,412,000	1,075,000	1,280,000	2,375,000	6,842,850
November	1,311,500	1,718,000	950,000	1,690,000	4,620,000	10,269,500
December	1,100,000	1,904,000	1,750,000	1,956,000	2,960,000	9,730,000
Total	18,930,650	16,590,600	18,610,200	17,766,000	19,289,000	91,186,450

The immense losses of the last three months have brought the total beyond that of the previous years. This is due in great part to the disasterous fires in cotton and on cotton ladened vessels; the case of the Harry of the West alone involving loss to near $1,000,000. Disasters of that nature have directed attention to the origin of these fires, and the measures necessary to prevent them. We published a few weeks since some excellent recommendations with regard to this matter.

In reference to general losses at sea, more care in selecting masters and mates, and a more thorough system of inspection of vessels seems to be desirable. For the preservation of life, an impetus has been given to new inventions, and a life saving raft, composed of gutta percha cylinders cased in canvass, and capable of inflation at pleasure, has met with considerable favor. It has been found that ordinary boats are too frequently stove at a critical moment, or do not live in a heavy sea. They are also difficult of landing in a a heavy surf. Most of these objections appear successfully met by the raft alluded to.

IMPORTS OF DRY GOODS AT NEW YORK FOR 1865.

We have prepared the annual statement of the imports of dry goods at the port of New York, giving the description of goods for the year, and also the totals for each month. It will be seen that the figures for this year are considerably in excess of either of the previous four years. The total is ninety-two millions, against seventy-one millions in 1864. the following table shows the description of goods, and the relative totals for the previous three years:

IMPORTS OF DRY GOODS AT NEW YORK.

Description of goods.	1861.	1862.	1863.	1864.	1865.
Manufactures—					
Wool	$16,720,931	$25,718,592	$29,703,956	$31,411,965	$36,053,190
Cotton	7,192,524	8,501,512	7,918,957	8,405,245	15,449,054
Silk	13,334,411	11,568,807	15,534,469	16,194,080	20,476,210
Flax	3,580,303	7,666,946	10,381,059	11,621,831	15,521,100
Miscellaneous dry goods	2,808,520	2,665,370	3,731,106	3,956,630	4,561,586
Total imports	$43,636,689	$56,121,227	$67,274,547	$71,589,752	$92,061,140

The increase this year has been pretty evenly distributed among the different classes of goods, with the exception of cottons, which are in excess. We now give a summary of the imports each month, from which can be seen the course of the trade throughout the year. The returns for the previous four years are added:

TOTAL IMPORTS OF DRY GOODS AT NEW YORK.

Months.	1861.	1862.	1863.	1864.	1865.
January	$10,956,857	$2,965,952	$5,269,181	$8,184,314	$2,350,635
February	6,782,936	5,344,514	5,027,857	9,437,454	3,723,690
March	5,836,076	6,471,901	9,204,581	12,635,127	5,324,599
April	2,767,645	3,296,498	4,384,007	5,220,245	3,969,706
May	2,429,823	2,914,483	3,612,511	6,081,136	3,981,468
June	1,205,382	3,535,102	2,901,423	4,801,703	5,442,062
July	1,476,887	5,628,014	4,718,365	6,762,750	7,226,233
August	3,536,333	8,707,710	8,816,878	7,529,800	13,462,265
September	2,102,004	6,185,193	5,892,712	4,1 7,449	11,198,257
October	1,971,541	3,865,798	6,569,783	2,996,100	12,187,331
November	2,506,926	3,710,357	6,071,208	2,235,107	12,657,937
December	2,004,219	3,466,405	5,371,041	1,558,567	10,586,951
Total	$43,636,689	$56,121,227	$67,274,547	$71,589,752	$92,061,140

From this statement it appears that almost three-fourths of the imports for the year were during the last six months. This was the result of the active demand arising at the close of the war, and the light imports of the first half of the year and the last half of 1864. We now give the imports of Dry Goods for each year since 1849:

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK.

	Invoiced value.		Invoiced value.		Invoiced value.
1849	$44,435,575	1855	$64,974,062	1861	$43,626,689
1850	60,106,371	1856	93,362,893	1862	56,121,227
1851	64,846,731	1857	90,534,129	1863	67,274,547
1852	61,654,144	1858	60,154,509	1864	71,589,752
1853	93,704,211	1859	113,152,624	1865	92,066,140
1854	80,842,936	1860	103,927,100		

It will be remembered that the figures here given refer to the foreign cost abroad of these imports in gold, and that the freight and duty, also payable in gold, must be added to determine the cost here in gold.

LUMBER TRADE OF CHICAGO.*

ILLINOIS is one of the largest of the interior States, but on its fifty-five thousand square miles of surface, probably there grows not a single pine large enough from which to fashion boards. The same may be said of southern Wisconsin and portions of Iowa and Wisconsin. In all these States indeed there is also a great scarcity of trees of any kind. Their forests are not sufficient for their fuel, and at the first glance we might be tempted to justify the old travelers who believed that this country of prairie was doomed to remain to the end an uninhabited wilderness on account of its bareness—the lack of material out of which to provide shelter and fuel sufficient for the wants of civilized man. And to this day the most obvious want of this region, so rich in mineral and agricuitural wealth, is the want of wood. Four millions of people, however, inhabit the States above named; the prairies are dotted with houses and barns, and checquered with fences, and every day adds to their numbers, and consequently their wants in this regard. These fences and most of these buildings are of wood—for the most part of pine wood, not one foot of which was grown within the States themselves. In these facts we have the explanation why the lumber trade within them is so extensive. The reasons why Chicago is the seat of this trade the sequel will make clear.

When nature prepared the beautiful prairie region, now called Illinois, to be the garden spot of the continent she was mindful to provide for all the wants of its future inhabitants. So, having prepared the surface of the earth for fields, gardens, pastures and meadows, and stowed away beneath the soil abundant mines and quaries, she thoughtfully planted a great wood lot in Michigan, and scooped out a deep canal between. This water communication enables us to bring into the harbor of Chicago at a trifling expense the lumber which the forests on the lake and its tributaries provide so abundantly. And the numerous lines of railroads which radiate from the city furnish the means of sending it to almost any point in the land.

The greater part by far of the lumber used in the interior, and, indeed, elsewhere in this country, is pine. It is preferred because it is the only material which is easily worked; is durable, and at the same time preserves a good surface. Some deciduous trees, as whitewood and bass wood, make lumber which is used to some extent for building purposes; but these trees grow for the most part where the country is well settled, and the lumber from them is mostly consumed at home. Some of the hard woods as oak, maple, black walnut, beech and butternut, can be finished beautifully, and are much used for furniture, and for the inside finish of elegant buildings. The good taste of our citizens has been manifest especially of late in the choice which they have made of the materials, and a trade of these woods has sprang up which must extend with the progress of good taste.

The shores of Lake Michigan and Lake Huron and the banks of many of the streams which empty into these lakes, are covered with vast forests of pine. That portion of the state of Michigan between lakes Huron and

* A large portion of this article appeared in the Chicago *Times* a few weeks since.

Michigan, and called the "lower peninsula," is mostly covered with forests of pine, north of the line of the Detroit and Milwaukee railroad. A great part of northern Wisconsin is covered in the same way. In Canada, along the Georgian bay, is another wilderness of piny woods, occupying thousands of square miles. Probably in Michigan, Wisconsin, and that portion of Canada bordering on Lake Huron, there are nearly or quite 40,000 square miles of pine woods; that is, an extent of surface nearly equal to three-fourths of the area of the State of Illinois.

The lumber country is comparatively uninhabited. The soil is usually unproductive, and does not tempt permanent settlers. The mills are at the head of navigation on the streams, and, to avoid hauling the heavy logs long distances, those trees only are felled which are near the streams, to which they are hauled and on which they are rafted down to the mills.

Thus, up to this time, notwithstanding the immense consumption of lumber for the past 20 years, nearly all of which has been obtained in these districts, only the edges of the forests, as it were, have been invaded. Along the St. Joseph, Kalamazoo, Grand, Muskegon, Manistee and Grand Traverse rivers and their tributaries, on the eastern shore of Lake Michigan, and on the numerous streams which find an outlet by way of the Saginaw river into Saginaw bay, great inroads have been made on the forest, and in some sections the supply is apparently exhausted. This is especially the case in those places most easily accessible, and which have been long worked. And for this reason it is annually becoming more difficult and expensive to obtain material for the mills, as it has to be hauled and rafted greater distances. And this difficulty and expense must increase, and with them the cost of lumber, until artificial means of transportation have been provided which will enable lumbermen to extend their operations to those localities at a distance from the streams.

When railroads shall have been built through the interior of the lower peninsula of Michigan of northern Wisconsin, connecting these now inaccessible districts with the lake harbors, we may expect from these localities which have hitherto been inaccessible, and therefore untouched, a large increase in the supply of lumber, which may serve to keep down prices and furnish us with building material for the rest of this century, and, perhaps, a part of the next.

But where is our lumber to come from when all these forests are exhausted? This is a question of grave importance, and one not easily answered. We are yearly consuming the product of scores of square miles of the forest, and on the ground so laid bare no new growth is appearing. We are not only harvesting a crop which it has required centuries to mature, but we have planted nothing to supply its place. In our eagerness to supply our own wants, we seem likely to consume the inheritance of posterity, as well as our portion of those goods which nature has appropriated to the use of all her children.

The largest portion of the lumber found in the Chicago market comes from the eastern shore of Lake Michigan. Each of the mills on the streams which we have named manufacture millions of feet annually. The supply of pine on the St. Joseph River, Michigan, is very nearly exhausted, and now Muskegon boasts of the largest number of mills and the greatest production of lumber.

A very large amount of lumber is brought from Green Bay and the

vicinity of Lake Winnebago in Wisconsin. The extension by the Northwestern Railroad of a line to the lumber country, in the neighborhood of Winnebago Lake, has made this region accessible, and the receipts by this railroad are almost entirely the product of this district.

Of the lumber manufactured on the tributaries of Lake Huron, but a portion reaches the Chicago market. Yet there is a large amount of Saginaw lumber sold here, and as the districts farther north, above Saginaw Bay and in the vicinity of Thunder Bay, are opened, an increase in the receipts from eastern Michigan may be looked for at Chicago.

Canadian lumber, famous for its excellent quality, formerly was sold to a considerable extent, but now the eastern demand is so great that most of the lumber manufactured in Canada finds its way to that market. The abrogation of the reciprocity treaty will probably injure the trade in this lumber east as well as west. There are extensive lumber districts on the headwaters of the Ottawa River and along the shores of the Georgian Bay which are yet undeveloped. These will doubtless become of importance hereafter.

The receipts of lumber by the Michigan Southern, Michigan Central, and Pittsburgh, Fort Wayne and Chicago Railroads consists chiefly of hard wood and whitewood, the latter of which being as easily worked as pine, though not as durable, can supply its place in inside work; and the former being used, as has been remarked, for elegantly finished interior work.

There is a lumber country from which no shipments are made to Chicago, the produce of which, nevertheless, has no little effect on the market. This is the Upper Mississippi country. Under ordinary circumstances, Iowa, Missouri and Western Illinois are chiefly supplied by this region—the Mississippi affording facilities for floating the logs at a trifling expense to points very near the place where the lumber is used. When the supply from this region fails, as is sometimes the case, these districts are supplied through Chicago, greatly increasing its trade and the price of lumber in its market.

The lumber country is, for the most part, desolate during one-half of the year. Here the crop is already grown, and labor is needed only to gather in the harvest, and the lumber harvest is not in the summer, but in the winter. This season is chosen, because in the pathless forests it is impossible to move the logs, except when the fall of snow makes it practicable to use sleds, and thus drag them to the streams.

Before winter sets in the lumbering parties are made up, quarters built and provisions for man and beast provided, and by the time the first snow has fallen the party is established in its solitary wilderness, there to remain until the opening of navigation tn the Spring. Throughout the winter the little community, cut off from all intercourse with the rest of the world, is busily engaged in felling trees and dragging them to the streams—dependent wholly on itself for its wants, social and moral, as well as physical. It is a rough life, but a hearty one, and has something of the attractions which have been thought peculiar to a life on the sea. Indeed, a large share of the lumbermen are sailors, who, during the summer, are engaged in transporting the lumber which they helped to manufacture in the winter.

When the snow disappears, and the ice breaks up in the streams, then

the logs are floated down to the mills to be manufactured. This is not always easily done, and, in case of unusually high water, the logs are sometimes carried over the banks and back into the forests, where they cannot be recovered until the next winter, if they are not wholly lost. The depth of the snow in the winter, and the condition of the streams in the spring, are the chief natural elements which determine the crop of logs. When these are favorable, the product is limited only by the capital invested and the number of laborers employed.

The lumber which is sold in the Chicago market is sawed near the places where it is grown. The process is simple and familiar, though those who have seen only the ordinary country mills running, only a simple upwright saw, would be surprised to see the cargoes of lumber which are turned out every season by some of these steam mills, with their gang and circular saws. Some of these mills manufacture 10,000,000 feet unnually. They are not as numerous as might be supposed, there being at some places which are well known lumbering points only two or three, and in no place, so far as we know, more than fifteen.

To form some idea of the extent of the lumber trade in Chicago, let the reader walk up the South Branch, from the Fort Wayne depot to the vicinity of Bridgeport. Up the stream, as far as vessels can make their way, acres of ground on each bank are occupied by lumber yards. Cities and villages are here annually built up and torn down. Narrow streets stretch from the river banks through these yards, lined on each side by stately piles of lumber, shingles and laths, piles towering upwards sometimes as high as 30 feet, and the materials of these solid though unsubstantial edifices last winter were in the trees of the forest, standing in the midst of the wilderness, hundreds of miles from Chicago. And when we reflect that these acres of lumber are not the acquisitions of the whole season, but that the millions of feet which we see are but a fraction of the whole amount received, the balance of which has been consumed in the city or shipped to the interior, we may form some conception of the magnitude of the trade in this material, which requires a fleet to transport it, an army of men to handle it, and the services of hundred locomotives and thousands of cars to carry it.

Few are aware of the extent of the country supplied with lumber from the Chicago market. Not only are the remotest parts of Illinois dependent, at least in part, on it for their supply, but no inconsiderable quantities are sent to the interior of Iowa, and even to Omaha in Nabraska, and Leavenworth in Kansas, and bills have been filled for Cinncinati and Louisville.

It is true that the lumber region on the upper Mississippi has usually, and does still supply the districts near the river and further west. But this lumber region appears insufficient to supply the great and growing demand of this counrry which is so rapidly increasing in population and wealth. The low water in the lumber regions of the upper Mississippi sometimes make it impossible to raft the logs, which had been cut, to the mills, and, consequently, the supply from this section is almost wholly cut off, and the demand on the Chicago market greatly increased.

Last spring (1865) the high water enabled the Mississippi lumbermen to bring into the market the greater part of the product of two years' cutting. Moreover, last year there was a very heavy government demand

for lumber for the building of barracks, hospitals, storehouses, etc., which has not only entirely ceased, but the greater part of these government buildings have been sold, and thus a large amount of lumber has been thrown upon the market. Again, early in the season, when the close of the war had made every one distrustful of the future, there was very little building attempted. Yet, notwithstanding all these circumstances which would tend to limit the demand, we find that during the season of 1865 the lumber trade of Chicago increased, and the city still claims to be the greatest lumber market in the world.

The enormous consumption of lumber indicates very accurately the general prosperity and spirit of enterprise which has prevailed during the year. The unusual production of the upper Mississippi has been absorbed to a great extent by the southern demand. Millions of feet have been rafted as low down as New Orleans, and throughout the South, and as far north as the Missouri river, the ravages of war have created a demand which the production of years will not be able to satisfy. Consequently lumber merchants are anticipating and providing for a continuance and even an increase of the demand which has seemed, for the season just passed, extraordinary.

The stocks on hand at the different yards are unusually large, and the preparations for lumbering are extensive and promise to be successful. For a few years past it has been very difficult to obtain laborers. No such difficulty is now encountered. The disbanding of the army has made producers of hundreds of thousands of consumers and destroyers.

Until the year 1856, Albany was the greatest lumber market in the world. At that time Chicago distanced her, and has since kept the lead. Albany, which is supplied from northern New York and Canada, has the second place, and Pittsburg, which is the market for the pine regions of the Alleghany, the third. The exhaustion of the pine forests of northern New York has had much to do with the decrease of the trade of Albany, and the production of the country which has supplied the Pittsburg, market has so decreased that the cities on the Ohio river are now supplied in part from Chicago.

We give a table of the receipts of lumber, shingles and lath since 1847. The receipts for 1865 are reckoned from the first of January to mid-December. Very little more will be received, the receipts by lake having closed until the opening of navigation in the spring.

Year.	Lumber, feet.	Shingles, No.	Lath, pieces
1847	32,118,225	12,148,500	5,655,700
1848	60,009,250	20,000,000	10,025,109
1849	78,259,553	39,057,750	19,281,733
1850	100,364,779	55,423,750	19,809,700
1851	125,056,437	60,338,250	27,583,478
1852	147,816,232	77,080,500	19,759,670
1853	202,101,098	93,483,781	39,133,116
1854	228,336,783	82,061,250	32,431,550
1855	397,567,669	158,770,800	46,487,550
1856	441,961,900	135,876,060	79,235,120
1857	459,939,000	131,832,000	80,130,000
1858	278,943,000	127,525,000	44,558,000
1859	302,845,207	165,927,000	49,102,000
1860	262,496,626	127,894,000	36,601,000

	Lumber, feet.	Shingles, No.	Lath, pieces.
1861	249,308,705	79,356,000	32,637,000
1862	305,674,045	131,255,000	23,880,000
1863	213,301,818	172,364,878	41,768,000
1864	501,592,406	190,169,759	65,958,960
1865	606,645,800	304,212,000	60,340,000
Total	5,089,033,033	2,560,093,212	938,297,748

The receipts for the past season have been by the following routes:

	Lumber.	Shingles.	Lath.
By lake	597,675,000	218,147,000	58,851,000
By N. W. Railway	1,670,000	86,069,000	479,000
By other railways	7,297,800	.....	10,000
Total	606,642,800	304,216,000	60,340,000

Six hundred million feet of lumber received in one year! Who can form a conception of such an amount? Perhaps some calculation will put it into a more intelligible form.

Six hundred million feet of lumber would plank a surface of 21¼ square miles, nearly equal to the whole extent of the city of Chicago. It would make a sidewalk four and a half feet wide entirely around the earth!

The receipts for the past three years, if composed entirely of boards a foot wide, would, if placed end to end, extend 284,400 miles; far enough to make a bridge to the moon, with 40,000 miles to spare! The whole amount received since 1855 would make a building 100 feet wide, 25 feet high, and long enough to reach from Chicago to San Francisco; a building which would shelter the entire population of Europe. It would make a bridge two miles wide across the lake from Chicago to St. Joseph.

The aggregate amount of lumber, shingles and lath forwarded from Chicago since 1860 have been as follows:

Year	Lumber.	Shingles.	Lath.
1861	189,379,445	94,421,186	31,282,725
1862	189,277,079	55,761,630	16,966,600
1863	221,799,330	102,634,447	30,293,247
1864	269,496,579	138,497,256	36,242,010
1865	345,390,089	239,738,057	60,744,520

The following table shows the prices of different qualities of lumber on the 1st of July of each year since 1858:

Year.	Clear.	Common.	Cargoes.
1859	$18 00@30 00	$ 9 00@10 00	$ 7 00@ 9 00
1860	24 00@27 00	8 00@ 8 50	6 25@ 7 25
1861	22 00@27 00	7 50@ 8 00	5 50@ 7 00
1862	24 00@26 00	9 50@10 00	.. ..@.. ..
1863	35 00@38 00	15 00@16 00	11 00@14 50
1864	50 00@55 00	22 00@.. ..	19 00@23 00
1865	45 00@50 00	14 00@15 00	10 00@13 50

The variation in prices for the years 1864 and 1865 is shown by the following table, in which the highest and lowest prices of each month are given:

	Clear.		Common.		Cargoes.	
	1864.	1865.	1864.	1865.	1864.	1865.
January....	$42 00@45 00	$60 00@	$17 00@18 00	$24 00@25 00		
February..	42 00@45 00	60 00@	17 00@18 00	24 00@25 00		
March.....	42 00@45 00	60 00@	17 50@18 00	24 00@25 00		
April.....	45 00@50 00	55 00@60 00	17 50@18 00	21 00@22 00	$16 00@18 50	$14 00@17 00
May.....	50 00@	48 00@60 00	18 00@19 00	14 00@21 00	16 00@20 00	12 00@17 00
June.....	50 00@55 00	45 00@50 00	19 00@20 00	14 00@16 00	16 00@22 00	9 00@20 00
July.....	50 00@55 00	45 00@50 00	22 00@	14 00@15 00	17 00@23 00	11 00@14 00
August....	50 00@55 04	45 00@60 00	20 00@24 00	14 00@17 00	17 00@22 00	11 00@16 50
September.	50 00@55 00	55 00@63 00	22 00@24 00	16 00@20 00	18 00@22 00	14 00@21 00
October...	50 00@55 00	58 00@63 00	22 00@24 00	19 00@20 00	15 00@19 00	16 00@20 00
November.	50 00@55 00	59 00@62 00	20 00@24 00	20 00@	15 00@20 00	15 00@19 00
December.	50 00@55 00	59 00@61 00	20 00@25 00	20 00@	20 00@21 00	15 00@17 00

It will be seen by this table that the prices, which in 1864 increased steadily through the year, in 1865 fell gradually until August, when they were about one-fourth lower than at the beginning of the year. Since that time they have risen steadily, and in December the quotations vary but little from the figures ruling in January.

A comparison with the prices of lumber in other cities may prove interesting. The rates given in the following table are quoted from the latest (December) lists:

	Clear.	Common.	Shingles.
New York.....	$80 00@100 00		
Pittsburg.....	65 00@	$25 00@	$8 50@
Cincinnati.....	80 00@	30 00	8 50@8 00
Milwaukee.....	40 00@45 00	18 00	5 25@5 50
New Orleans.....	75 00@100 00	30 00@10 00	4 50@5 00

We have given the figures only for lumber, shingles and lath. The trade in timber, staves, railroad ties, telegraph poles, fence-posts and similar materials, which is generally carried on by the lumber merchants, forms an important branch of the commerce of the city.

The amount of capital invested in the lumber traffic is immense. The cost of the receipts of 1865 at cargo prices, cannot have been less than $10,000,000. If we were able to reckon up the accounts invested in logging, manufacturing, transporting by lake and by railroad, and handling we would be astonished at the magnitude of the sum, and the number of persons employed and supported by the lumber trade and manufacture is correspondingly large. The importance and magnitude of this commerce has for many years engaged the attention and ability of many of the best business men; and, until the broad prairies are covered with forests, or some cheap and abundant substitute for wood is discovered and made available, it must continue to rank prominently among the leading branches of commerce in the Lake metropolis.

COMMERCIAL LAW.—NO. 30.

MARINE INSURANCE.

(Continued from page 57, vol. 54.)

THE TERMINI OF THE VOYAGE, AND OF THE RISK.

THESE must be distinctly stated, whether they be termini of time or place. A policy from ——— to ———, or from B. to ———, or from ——— to B, would be void. Nor would it be any better if the termini were named with apparent distinctness, but in such wise as to mean nothing, or nothing sufficiently certain.

A policy takes effect from its date, if the bargain was then complete, although not delivered until afterwards. And it may be remarked, that, if there be an unreasonable delay in the sailing of the vessel, the policy never attaches, for the bargain is considered as annulled.

The common phrase "lost or not lost," or any equivalent words, make the policy retrospective, as has been said, so far as that the insurers are responsible for any loss which occurred before the policy was made, but within the time or the voyage insured. If the loss be known, it must of course be stated; but even then, if its extent or amount is wholly unknown, the property may be the subject of valid insurance. If the policy is to take effect "on" a certain day, it begins with the beginning of that day. If "from and after" a day, that day is excluded, but "from" only may be more ambiguous, and the construction of the word be open to evidence. It has been said, however, that "from the date" includes the day, and "from the day of the date" excludes it; but this is a very nice distinction, and we doubt whether it would be adhered to in practice.

A policy on a vessel "at" such a place, generally attaches when she is there in safety. Thus, in an English case, the insurance was at and from the island of St. Michael's. The ship arrived in a very disabled state, and, after lying at anchor there twenty-four hours, was blown out to sea and wrecked. The court held that the policy under these circumstances never attached; because, to make it attach, she must have once been at the place in good safety. But if there were a policy "to" a place, and another was made out between the same parties "at," or "at and from," the same place, we should say that the law would presume that the parties intended that the second policy should attach whenever the first one ceased by her arrival, without reference to the condition of the ship or her peril at the time.

Generally, a policy on goods attaches to them at the time when it would have attached to the vessel had she been insured. And if the risk is to begin at a certain time, and also at a certain port or place, the latter words may be shown to be mere surplusage, and not intended to control the former; and the risk will begin at that time, wherever the ship may be. The extent which should be given to the meaning of the word "port" is sometimes a question of some difficulty: but in general all places are within a port which belong to it by mercantile usage and acceptance, although not within the same municipal or legal precinct.

"At and from" covers a vessel in a port, as well as after she leaves it. "From" only covers the vessel *after* she gets under way. "At and from," applied to goods, does not cover them in the port when they are on shore and warehoused, nor until they become subject to marine risk, by being water-borne. They are, however, covered, not only when they reach the ship, but as soon as they are put on board of boats or lighters, or any other usual water conveyance to the ship. And if insured to a port, they continue covered after they leave the ship by any usual conveyance for the shore, until they are safely landed. The word "at," applied to an island or a coast, may embrace all the ports therein, and cover the ship while sailing from one to another. "To a port and a market," covers a voyage to the port, and thence to every place to which, by mercantile usage or reasonable construction, a ship may go thence in search of a

market; and even to return to that port, perhaps more than once, if honestly with intent to learn there where a market could be found. If the insurance be on a certain voyage, a very strong presumption of law would confine it to the next voyage which came under that description.

If the insurance be to "a port of discharge," this does not terminate if the vessel goes to a port for inquiry, or for needful refreshment or repair. It it be "a final port of discharge," the insurance ceases upon such parts of the cargo as are left at one port or another, and continues on the ship, and on all the goods on board, until arrival at the port where they will be finally discharged.

A vessel is "at sea" when in bays or straits; and indeed, by a rather broad construction, whenever not "in port." And if the insurance begins on a ship on a certain day "if at sea," this has been construed to mean "if not at home," and therefore to attach if the ship was in a distant port.

The English policies and our own contain a provision that the insurance continues on the ship "until she shall be arrived and moored twenty-four hours in safety;" and on the goods until they be "landed." or "safely landed."

Under this clause, the ship is insured until moored in safety, so far as the perils insured against are concerned, but not against the peculiar and local dangers of the port, or the possibility that a tempest there might injure her when moored; for these dangers continue to exist as long as she stays there, and the liability of the insurers would never terminate. If she enters the narbor, and, before she is moored, is blown off, or ordered into quarantine, she is insured until this delay ceases and she is safely moored in port. And if before or within the twenty-four hours, a dangerous storm begins, she is insured until that storm, or its danger, ceases.

Goods, we have seen, are covered in their transit from the ship to the shore.

TOTAL LOSS AND ABANDONMENT.

The law of insurance recognizes an actual total loss, and also a constructive total loss. It is actual when the whole property passes away, as by submersion or destruction by fire. It is a constructive total loss, when the ship or goods are partially destroyed, and the law permits the insured to abandon the salvage, or whatever is saved, to the insurers, and claim from them a total loss. By "abandonment" is meant, in insurance law, the transferring of the property insured, or what is left of it, to the insurers. The word is used, because originally the insured gave up, renounced, or abandoned the property, saying to the insurers, we will have nothing more to do with it, and you may do with it what you like. And the word is still always used, although it means a transfer. And in the law of insurance, a constructive total loss is a partial loss made total by an exercise of the right of abandonment. That is, the actual loss took from the insured a part, and the abandonment took the rest, and so they have lost all. A constructive total loss is sometimes called a "technical" total loss.

The abandonment, we say, transfers all that remains of the property to the insurers. If nothing remains, or if that which remains has no value, there need be no abandonment, and this is an actual total loss.

The insured never need make an abandonment if he chooses not to do so. And if from such choice or neglect he makaes no abndonment, his claim against the insurers is still perfect; but it is a different claim from that which it would have been if he had abandoned, because it is now to be settled as a partial loss, of which we shall speak hereafter. For it is the purpose and effect of an abandonment to convert an actual partial loss into a constructive total loss. And if he makes an abondonment when he has no right so make it, such abandonment is wholly inoperative, unless the insurers choose to accept it; but if they accept it, they must settle the loss as a total loss.

The topics in relation to this subject which we will consider are:— 1. The necessity of abandonment. 2. The right of abandonment. 3. The exercise of this right. 4. The acceptance of the abandonment. 5. The effect of the abandonment, or of the absence of abandonment.

1. *The Necessity of Abandonment.*

It is said, that if a ship be completely wrecked, and reduced to "a mere congeries of planks aud iron," or if she has not been heard from for a sufficiently long time, there need be no abandonment, and the insured may claim as for a total loss, without one. In either cases, or any other case, if the insurers pay a total loss, they are entitled to whatever shall come to hand of the property insured. And it is usual, and we think more proper, to abandon in both of these cases.

If the property was injured by sea peril, and passed from the insured by a justifiable sale by the master, there need, perhaps, be no abandonment, but the insured will account for the proceeds. If, however, he abandon, the salvage or proceeds belong at once to the insurers, and are afterwards at their risk; otherwise they are at the risk of the insured.

2. *The Right of Abandonment.*

The insured cannot convert every partial loss, however small, into a total loss, by abandonment, tranferring the damaged property to the insurers. But by a rule which is nearly universal in this country, and not unknown abroad, if the damage by a peril insured against exceed one half of the value of the property insured,—whether ship, goods, or freight, —he may abandon the property to the insurers and claim as for a total loss. But if the vessel actually reaches her destined port, she cannot be abandoned, although the repairs would cost more than half of her value.

When we speak in another section of partial loss, it will be seen that, by the established usage of this country, an allowance of "one third, new for old," is always made. This means, that if a new thing were given for an old one because the old one had been injured, the insurer would be more than indemnified. The sails, for example, might be so new that they had lost little of their value; or so old, that they were of no value. To avoid inquiring into each case, usage has adopted, as a fair average to apply to all cases, that the thing injured has lost one-third of its value. When it is replaced by repairs, the insured therefore loses one third of the cost of repair, and the insurers pay two-thirds.

Now our policies provide that there shall be no total loss by abandonment, unless the injury exceed fifty per cent when "estimated as for a partial loss"; that is, one third off. Consequently, the repairs necessary to res-

tore the vessel to a sound condition must amount to more than seventy-five per cent of her value when repaired, (one-third of which, twenty-five per cent, being cast off, leaves fifty per cent,) before there can be an abandonment, which the insurers are bound to accept, and settle the loss as a total loss. We think, however, the usuage not sufficient to require that this one-third shall be cast off, unless expressly stipulated in the policies, as above stated, or in some equivalent manner.

The valuation in the policy, if there be one, generally determines the value on which this estimate is to be made. In New York and in Massachusetts this seems to be distinctly held; but the courts of the United States and of some of our States incline to say that, whether the policy be valued or open, the value of the ship, the loss of one-half of which authorizes abandonment, is the actual value of the ship at the time the loss occurs, and that this value is to be proved by proper evidence.

The premium, we think, should be excluded; but this may not be quite settled. A loss by jettison, by salvage, by general average contribution, by wages of sailors paid while they assisted in making the repairs, should be included in the fifty per cent. if the insured have lost a part of his jettison, and have a claim for contribution which is not yet paid, the whole of his loss is to be included to make up the fifty per cent, and the insurers claim to contribution by abandonment. Thus, if his loss be by jettison of eight tenths of his goods, it is 80 per cent, and if he has a claim for contribution in general average for 35 per cent, this does not reduce his loss to 45 per cent, so that he cannot abandon; but he may call his loss 80 per cent, and abandon, and by the abandonment transfer to the insurers his claim for 35 per cent. The expense of repairs is to be taken at the place where actually made, or where they must have been made, if made at all.

If the repairs cost less than fifty per cent, and the ship is bottomed for the amount, and afterwards sold on the bottomry bond, this is a total loss; unless the vessel came within reach of the owner, so as to make it his fault or neglect that she was sold.

If a sale be lawfully made by the master, under the authority from necessity which we have considered in the chapter on the Law of Shipping, this is a total loss, and the insured must account for the proceeds.

If distinct interests are included in one policy, either under one common valuation, or under no valuation, they are so far united as one subject-matter of the insurance, that the general rule requires that they should all be abandoned together, and therefore an abandonment of one alone is ineffectual. But it seems to be also held, that if these interests, or if several portions of the cargo, are separately valued, this makes them so far distinct from each other, that there may be a separate abandonment of one or of the other.

3. *The Exercise of the Right of Abandonment.*

As an abandonment has the effect of an absolute transfer of the property to the insurers, and is intended for this purpose, it is obvious that it cannot be made by one who is not possessed of such title to the property, or such interest therein, as would enable him to make a valid transfer.

There is no especial form or method of abandonment. But the proper and safe way is to do it in writing, and to use the word "abandon," or "abandonment," although other words of entirely equivalent meaning

might suffice. It must be distinct and unequivocal, and state, at least in a general way, the grounds of the abandonment.

If the abandonment be deficient in form, the insurers will waive any objection of this kind if they call for further proof, and otherwise act as if the abandonment were altogether sufficient.

The insured may abandon at any time when the ship, by a peril insured, is taken for an uncertain period from the master's control, and the voyage is broken up and cannot be renewed, unless at a cost which of itself gives this right.

The existence of the right depends upon the actual state of facts at the time, and not upon the supposed facts. If a ship be captured or stranded, and the owner, on receiving notice, make an abandonment, and the ship be restored or got off from the shore before the abandonment is actually made, although the owner be wholly ignorant of it, the abandonment is wholly void. But if the facts existing when the abandonment was made were such as to justify the abandonment, it will be good, although subsequent occurrences show that the vessel was neither lost nor endangered as was supposed. Nothing, however, gives the right of instant abandonment, without a faithful endeavor of the master to find, if he can, and use, if he can, some means of deliverance and safety. But if, when delivered and restored to the master, or owner, her damage amounts to more than half of her value, estimated as above stated, "as a partial loss," she may then be abandoned. If the precise voyage insured be broken up by a peril insured against, this justifies an abandonment, although the vessel might be put in condition to pursue a different voyage or render a different service.

As the insurers, who take the salvage (or saved) property by abandonment, have a right to every possible opportunity to make the most of it, it follows as an invariable and universal rule, that the insured *must* make an abandonment immediately after he receives the intelligence which justifies it; and if he does not, he will be regarded as having elected not to abandon, and no subsequent abandonment will have any effect. It may be stipulated in the policy that he shall have so many days, after receiving intelligence, for abandonment. But while this gives him a right to delay, it does not oblige him to, and he may therefore make a valid abandonment at once.

The abandonment may be made on information of any kind, if it be entitled to weight and credence. So even a general rumor, without specific intelligence to the insured, will authorize an abandonment, if the rumor seems to be well grounded and altogether credible.

4. *The Acceptance of the Abandonment.*

As there is no especial form or method of making an abandonment, so there is no regular and established form of accepting an abandonment. Indeed an acceptance, merely as such, or in so many words, is seldom made. And as the insurer's accepting is not necessary to give full effect to an abandonment which has been made on proper grounds, and in the right way and time, it is seldom asked for.

The acceptance of the abandonment may be inferred from words or acts. The question has arisen whether it could be inferred from mere silence; and, in general, it cannot. "An insurer is not bound," says Mr. Justice Story, "to signify his acceptance. If he says nothing, and does nothing, the proper conclusion is, that he does not mean to accept it."

The rule may be stated thus. If the insurer, with a sufficient knowledge of the facts, says or does that which induces an honest insured to believe that he has accepted the abandonment, and will pay the loss, and to act on that belief, it is an acceptance, and is so far binding on the insurer. But it leaves open—not the question whether the abandonment was rightfully make, for that is closed—but all remaining questions and defences, either as to the whole case, or as to any part of it.

5. *The Effect of Abandonment.*

We regard it as an ancient, reasonable and well-established rule, that, if insurers pay as for a total loss, this payment entitles them to full possession of all that remains of the property insured, and also of all rights, claims, or interest which the insured has in, or to, or in respect of the property lost, and which, if he valued or enforced them himself, would, if added to the amount paid by the insurers, give him a double idemnity. Hence, if the insured has lost his goods by jettison, and has a claim for a general average contribution, and the insurers pay him for all his goods, they stand in his place, and acquire that claim for contribution which the loss of the goods gave him. And we should, very generally at least extend this rule to the claim which a mortgagee has on the mortgage for his debt. That is if the insurers pay for the loss of the property which secures the debt, they acquire, to the extent of their payment, the mortgagee's claim against the debtor. But in a recent case, some nice distinctions are taken on this subject.

If the salvage which the insurers take is encumbered with liens or charges, the insured must pay or satisfy these, excepting so far as they spring from, or may be referred to, a peril which the insurers have insured against. As, for example, if they take a ship, it is free from liens for wages earned in saving the ship. And, indeed, the insurers may be bound for wages and expenses incurred in good faith, and with a reasonable discretion, in the endeavor to save the ship—which, by the peril and abandonment, was their property—although the amount of the charges was greater than the value of the salvage; but not for expenses after the insurers had refused to accept the abandonment, and expressly directed that no more charges should be made on their account. If, however, this prohibition were not in good faith, and tended to the destruction of the property, it would be ineffectual.

By the abandonment, both the owner and the master become, to some extent, the trustees and agents of the insurers, in respect to the property abandoned; and are bound to act, in relation to it, with care and honesty Still, if the property after abandonment, or after a loss for which there is to be an abandonment, be further lost or wasted, by the bad faith or neglect if the master, or of the consignee of the owner, while they continue to act as such, this loss must be made up by the owner, because, although they are, in a certain sense, agents of the insured, they are then agents of the owner, and he is responsible for them to the insured.

Goods are totally lost if destroyed, or if so injured as to have little or no value for the purpose for which they are intended; or if the voyage upon which the insurance on the goods was effected is entirely broken up. And, in addition, to all this, the rule which permits abandonment if more than fifty per cent be lost, of which we have already spoken, is applicable

to goods, in this country; subject, however, to the important qualification, that it does not apply if any substantial portion of the goods arrive at their destination uninjured; or if the goods are insured "free from average." And the rule of abandonment, salvage, and transfer to the insurers, is the same in relation to goods as to the ship.

The ship may be totally lost, and not the goods. And we have seen, in our chapter on Shipping, that, if the ship be wrecked, and the goods are or can be saved, it is the duty of the master to send them forward to their destined port, if this is within his power, and the circumstances of the case do not make it useless or clearly unwise. If he cannot transmit them, he is bound to do that which is, on the whole, the best thing for the interest of all concerned. If he fails to do his duty, and the goods are lost, wholly or partially, by this failure, the insurers are not responsible, unless they have insured the owner of the goods against the misconduct of the master. And the shipper of the goods has his remedy against the owner of the ship for loss incurred by the master's misconduct, which claim passes over to the insurers of the goods, if they pay the loss to the shipper.

So, if there be many several shipments all insured, there may be a total loss of one, a partial loss of another, and no loss of a third.

The rule which gives a power of sale to the master, in a case of urgent necessity, and only then, applies to the goods as well as to the ship. And if goods are hypothecated, the rule is the same as when the ship is bottomed.

The freight is totally lost when the ship is totally lost, or made unnavigable, or is subjected to a detention of such a character as to break up the voyage. If there be a constructive total loss of the ship, the owner may abandon the freight with the ship. But if the ship be actually lost, the freight may not be; for the master has the right, and is under the duty, as we have seen, of transmitting the goods, if he can. And if he does, the owner of the ship is entitled to the whole of his freight; and the expense of the transmission is all that he loses. If the master might have done this, and fails to do it, the estimated expense of transmission is still all the loss for which the insurers are responsible, because the rest of the loss is caused by the master's fault in not transmitting the goods.

So, if the ship can be repaired and go on again, and finish her voyage, the owner would have the right to hold on to the goods, and finally carry them and earn his freight. And he has this right, although the delay would be very long, and even if the goods are injured, and it would cost time and money to put them in a condition of safety for the residue of the voyage. Still the ship-owner, by his agent, the master, may do all this, and then earn his freight; and therefore, if it can be done, whether it is done or not, all the claim which the insured on freight can make on the insurers is for the expense of doing it, or what that expense would have been.

The rule which gives a right of abandonment for a loss of fifty per cent applies to freight also. If, therefore, freight *pro rata* be paid, it will be a total loss by construction, if less than half be paid. So, if the ship be injured, and part of the cargo be lost, but the ship may be repaired and carry the remaining goods on, if that part would pay more than half of

the whole freight, it has been held not to be total, and otherwise it is.

Freight is fully earned if the goods remain substantially *in specie* and are so delivered to the consignee, although there be a very great deterioration. But freight is lost, and the insurers are responsible, if nothing is left of the goods but the mere products of decomposition, so that they are lost in fact.

If, after some freight is earned, there is an abandonment of the ship, and after the abandonment more freight is earned, the American cases hold, that the freight earned before the abandonment goes to the insurers on freight; while that earned after the abandonment goes to the insurers of the ship. But the French law is the reverse, and so seems to be the rule in England.

ANALYSES OF RAILROAD REPORTS. No. 5.

PHILADELPHIA AND READING RAILROAD.

THE main line of the Philadelphia and Reading Railroad extends from Richmond (Philadelphia) to Pottsville, Carbon county, a distance of 92.00 miles.

This main line forms the grand trunk over which a large number of other roads, spreading over the eastern coal fields of Pennsylvania, find an outlet to the seaboard. These are mainly owned or leased and operated by the Reading Company, and in fact form the radii of a system of which the main line is the converging point and center. The following table gives the length of single track in each of these roads, with the sideings and equivalent total mileage of the whole system:

Railroads.	Main & branches.	Side-ings.	Total miles.	Railroads.	Main & branches.	Side-ings.	Total miles.
Phila. and Reading	198.50	96.96	295.46	Union	3.47	0 61	4.08
Willow Street	3.50	.54	4.04	Good Spring	9.10	1.72	6.51
Mount Carbon & Point Carbon	5.00	7.98	12 98	Lorberry Creek	5.62	0.89	10.82
Mount Carbon	7.83	2.07	9.90	East Mahanoy	10.00	1.61	11.61
Lebanon Valley	84.88	11.31	96.19	Port Kennedy	0.78	....	2.78
Chester Valley	21.50	1.80	23.30	West Reading	1 74	....	1.74
Schuylkill Valley	25.23	1.71	26.94	Mine H. & Schuylkill Haven	88.12	44.78	132.90
Little Schuylkill	32.83	16.37	49.20	Other roads (new)	3.30	8.95	12.25
Mill Creek	15.03	4.67	19.70				
Total miles of track					516.43	201.97	718.40

—and since the close of the fiscal year 1864–65, the East Pennsylvania Railroad, extending from Reading to Allentown, 36 miles, has come under the company's control, and is to be extended to Easton to form with the Lebanon Valley Line a direct communication between the Delaware and Susquehanna rivers.

The *equipment* owned by the company is very complete and costly. At the commencement of the last fiscal year the schedule was as follows:

Locomotive engines of all classes		216
Coal cars—8-wheel (3 iron)	3,137	
do 4-wheel (2,964 iron)	5,151	8,288
Freight cars—8-wheel (294 house, 17 cattle, and 535 platform)	846	
do 4-wheel (202 house, 114 platform, etc.)	394	1,240
Passenger cars, 8-wheel	58	
Baggage cars, 8-wheel	16	
Mail and express cars, 8-wheel	7	81
All other cars		566
Total number of cars		10,175

—equivalent to 14,336 four-wheel cars.

CAPITAL ACCOUNT.

The *financial condition* of the company, according to the annual balance sheets for the last ten years, is shown in the following table:

Fiscal year.	Capital and Liabilities. Share capital.	Bonds and mortgages.	Dividend fund.	Total, incl. sundries.	Cost of company's property.
1855-56	$11,375,541	$7,097,450	$629,347	$19,262,720	$19,163,151
1856-57	11,759,149	6,808,600	187,113	19,500,106	19,322,122
1857-58	11,737,041	12,195,950	111,314	24,044,805	23,811,916
1858-59	11,548,922	12,195,950	228,069	24,211,053	24,070,835
1859-60	11,548,929	12,008,150	425,905	24,353,896	24,161,889
1860-61	11,548,929	12,411,600	780,742	25,225,488	25,126,389
1861-62	11,548,929	12,136,100	990,966	25,528,164	25,528,164
1862-63	13,213,227	10,667,328	2,171,259	26,613,828	25,469,544
1863-64	20,072,323	7,271,879	372,050	27,716,253	25,469,544
1864-65	20,240,673	6,961,879	1,079,265	28,281,817	25,469,544

The large increase in the share capital noticeable in the accounts for the three last years, is mainly due to the conversion of bonds and the payment of dividends in stock. The decrease in the funded debt is accounted for by said conversions, but also to a great extent by the action of the sinking funds.*

OPERATING ACCOUNTS.

The *business of the road* since the completion of the main line has been yearly as follows:

Year ending Nov. 30.	Passengers. Total number.	Equal to "through"	Equivalent "through" tonnage. Coal: tons of 2240 lbs.	Merch'dise: tons of 2000 lbs.	Mat'ls: tons of 2000 lbs.	Total: tons of 2000 lbs.
1843	56,554	26,424	218,711	17,534	54,787	322,125
1844	66,503	33,979	421,785	20,472	160,138	659,299
1845	63,719	33,146	814,279	26,039	102,408	1,046,812
1846	86,641	45,155	1,188,258	74,971	101,471	1,515,473
1847	97,463	49,604	1,360,681	71,718	165,493	1,770,916
1848	105,728	55,509	1,235,044	58,123	118,576	1,570,531
1849	95,577	49,097	1,097,762	51,204	145,503	1,429,564
1850	92,726	46,041	1,351,507	63,625	157,450	1,743,684
1851	127,590	57,598	1,650,270	63,807	219,731	2,145,188
1852	155,164	69,579	1,650,912	75,769	81,217	2,124,171
1853	211,819	92,657	1,592,248	107,853	174,161	2,076,197
1854	266,631	105,219	1,987,854	140,801	187,591	2,582,563
1855	277,617	111,822	2,213,293	154,884	247,478	2,909,667
1856	282,300	106,205	2,088,908	198,886	236,700	2,815,760
1857	291,679	107,039	1,709,692	184,617	182,512	1,926,706
1858	285,651	104,519	1,542,646	187,729	170,603	2,126,881
1859	379,406	126,076	1,632,932	324,609	196,104	2,405,314
1860	385,304	129,978	1,946,195	423,523	160,084	2,819,898
1861	368,651	140,451	1,639,535	324,958	143,237	2,348,906
1862	396,416	150,974	2,310,990	451,733	171,499	3,260,953
1863	576,861	211,970	3,065,261	652,363	234,071	4,391,877
1864	1,048,501	342,252	3,065,577	807,106	242,908	4,606,286
1865	.....	395,359	3,090,814	846,108	....	.....

The *traffic receipts and expenses*, and the net revenue from operations yearly from 1843 to 1865, twenty-three years have been as follows:

---

* In relation to these movements the President's report for 1865 contains the following: At the annual meeting in 1860 the stockholders created a sinking fund ($140,000) in addition to similar appropriations required by the terms of various mortgages. The following year the Board of Managers recommended, and the stockholders authorized, the establishment of another sinking fund, which, with those already in existence, had for its object annual deductions from income account equal to the liquidation of the bonded debt at or before its maturity. This debt then amounted to $11,496,700, of which $5,086,500 matured in 1866. The fund so created amounted in the following year to $27,373 41, and it was expected that it would increase each year until the debt was extinguished. Since that date the bonded debt has been diminished by conversion and purchase $5,131,400. For this reason the Board of Managers regard so large an annual appropriation, in addition to the sinking funds created by the terms of the mortgages, quite unnecessary. They believe it to be a wise policy, and one which should be continued, to purchase the bonds when they can be had on favorable terms; but they recommend that the compulsory feature of the sinking funds thus voluntarily provided by the stockholders should be abolished, and that it be left to the discretion of the managers to purchase bonds when and as suitable occasions offer.

Fiscal Years.	Gross Receipts—Coal.	Passengers.	Merch'dize.	Total.*	Operating Expenses.†	Revenue or Profits.
1843	$278,840	$71,895	$37,927	$394,318	$214,923	$179,395
1844	445,509	92,362	49,293	597,613	329,442	268,171
1845	886,939	103,411	60,588	1,060,380	570,726	489.6 5
1846	1,600,677	141,749	137,584	1,889,714	862,920	1,027,394
1847	1,698,664	156,201	136,220	2,002,946	1,100,606	902,540
1848	1,386,605	174,959	117,458	1,692,556	1,212,029	480,527
1849	1,648,900	155,908	106,347	1,933,590	1,023,245	910,345
1850	2,071,731	148,379	125,822	2,360,786	1,169,435	1,191,331
1851	2,018,871	152,432	123,672	2,294,975	1,394,290	990,684
1852	2,150,677	168,430	138,964	2,480,626	1,340,797	1,139,829
1853	2,254,694	225,763	180,612	2,688,288	1,329,511	1,358,777
1854	3,253,823	272,368	231,627	3,781,641	1,771,201	2,010,439
1855	3,664,095	301,952	325,851	4,291,898	1,941,041	2,350,857
1856	3,242,458	288,427	348,699	3,879,584	1,979,019	1,900,565
1857	2,412,923	322,612	329,986	3,065,532	1,601,753	1,463,769
1858	1,865,695	309,142	335,915	2,510,751	1,382,720	1,128,031
1859	1,883,685	365,720	474,888	2,724,293	1,478,477	1,245,816
1860	2,328,158	333,359	599,620	3,312,546	1,686,562	1,625,984
1861	2,111,028	338,905	406,321	2,905,839	1,492,933	1,412,906
1862	2,879,420	403,564	523,416	3,911,830	1,816,055	2,095,775
1863	4,397,200	566,520	673,143	6,252,902	2,916,159	3,336,743
1864	7,203,775	709,781	953,776	9,269,341	4,961,190	4,308,151
1865	8,627,292	1,065,847	1,165,277	11,142,519	6,330,248	4,812,271

* Including "mail" and "miscellaneous," not included in any of previous columns.
† Including drawbacks, renewals, &c.

The receipts and expenses per passenger and per ton, carried 92 miles or "through" in each of the past seven years, have been as follows:

Fiscal Year.	Passengers.—Receipts.	Passengers.—Expenses.	Merchandise, ton—Receipts.	Merchandise, ton—Expenses.	Coal, ton—Receipts.	Coal, ton—Exp'ses
1859	$2 52.9	$1 52.7	$1 41.9	$0 74.7	$1 15.3	$0 42.3
1860	2 57.5	1 88.0	1 19.9	0 53.0	1 24.9	0 48.8
1861	2 41.3	1 34.5	1 25.4	0 70.2	1 28.7	0 41.0
1862	2 67.3	1 10.4	1 15.8	0 53.0	1 24.6	0 35.8
1863	2 67.3	0 91.3	1 03.2	0 50.3	1 59.3	0 47.0
1864	2 65.8	1 13.7	1 18.2	0 63.0	2 35.0	0 81.0
1865	2 70.9	1 42.5	1 37.7	0 79.4	2 79.1	1 06.9

The following are the principal payments made in the past ten years from profits:

Fiscal years.	Interest. on bonds.	Sinking fund.	New works.	Dividends.—Preferred.	Dividends.—Common
1856	$424,431	$100,000	.....	$124,144	$770,590
1857	419,436	100,000	.....	108,626	385,425
1858	739,701	150,000	.....	108,626	.....
1859	735,321	150,000	.....	108,626	.....
1860	731,131	150,000	.....	108,626	.....
1861	740,366	150,000	.....	108,626	.....
1862	742,381	396,581	.....	108,626	699,788
1863	667,436	210,830	1,436,933	108,626	816,299
1864	502,154	392,020	2,022,663	232,770	2,385,359
1865	409,230	431,220	1,339,245	135,180	1,864,887

GENERAL RESULTS.

The following table gives the cost of the company's property and the results of operations for the years 1843—1865 both included, as measured by the mileage of the main line of the road, viz.: 92 miles, the other roads owned or leased by the company being considered merely as accessories to this grand trunk:

Fiscal years.	Cost of property per mile.	Gives earn'gs.	Opera'g expenses.	Profits from earn'gs.	Rates of dividends paid.
	per mile of road.				
1842-43	$77,383	$4,236	$2,336	$1,950	*nil.*
1843-44	102,156	6,496	3,581	2,915	"
1844-45	111,699	11,718	6,204	5,514	"
1845-46	125,342	20,653	9,373	11,280	10*s.*
1846-47	131,694	21,771	11,961	9,810	12*s.*
1847-48	156,483	18,397	13,174	5,223	*nil.*
1848-49	177,370	21,018	11,122	9,896	"
1849-50	177,449	25,695	12,711	12,984	6*c.*
1850-51	180,973	24,945	14,177	10,768	*nil.*
1851-52	186,326	26,963	14,574	12,389	6*c.* & 8*s.*
1852-53	194,621	29,230	14,451	14,769	8*c.*

1853-54	200,697	41,104	19,252	21,852	10*s.*
1854-55	206,568	46,651	21,098	25,553	4*c.* & 8*s.*
1855-56	208,295	42,169	21,511	20,658	8*c.*
1856-67	210,028	33,321	17,410	15,911	4*c.*
1857-58	258,825	27,291	15,029	12,262	*nil.*
1858-59	261,639	29,612	16,070	13,542	"
1859-60	262,629	36,000	18,332	17,668	"
1860-61	274,199	31,585	13,936	17,649	"
1861-62	277,480	42,519	19,739	22,780	7*s.*
1862-63	276,833	67,966	31,697	36,269	7*s.*
1863-64	276,833	100,754	53,926	46,828	15*s.*
1864-65	276,833	121,114	68,807	52,307	10*c. w. s.*

The following table shows the

MARKET PRICE OF STOCK

at the New York Stock Exchange for the five years ending Nov. 30, 1865:

Months.	1860-1.	1861-2.	1862-3.	1863-4.	1864-5.
December	29½@36¾	30½@84¼	74⅞@ 77⅛	111¼@122	112¾@137½
January	37⅛@46	35 @42¾	77½@ 96	111 @118¼	103 @117⅝
February	38⅜@47¾	40 @44¾	89¾@ 92	115⅝@132½	163¾@116¼
March	39 @46	41 @41¾	86¼@ 91	130½@154	88½@114¼
April	29½@44¾	42 @45¾	88 @ 95	125 @165	89¾@111
May	30¾@32¾	45¾@49¾	94 @120	125 @147	90¼@107¾
June	30¾@33¾	50 @60	89 @114¼	138⅞@145	88 @104½
July	33 @39½	54¾@59¾	95 @111¾	125½@139½	98 @106¾
August	35 @37¾	56 @62¼	113½@124	132½@133⅞	98 @107½
September	34¼@36½	56¾@70	112 @122	117¾@134	105½@116¾
October	36⅝@37	69 @79	119 @128	115 @134	114¼@119¾
November	34 @36¾	73⅛@78⅝	119 @127¼	132½@140	113 @117¾
Year	29⅛@47¾	30⅛@79	74⅞@128	111 @165	88 @137½

The Philadelphia and Reading Railroad was the first great road of its kind in this country, and still enjoys the pre-eminence of being the most important work engaged in the coal trade. The company was chartered April 4, 1833, with authority to construct a railroad from Philadelphia to Reading. At that time it was expected that the line would be continued to the coal fields by other companies; but such anticipation not having been realized, the right to construct the extension to Pottsville was subsequently granted to the Reading company, and the time for its completion was extended to the 20th of March, 1842.

We have no space for a history of this road, however interesting such would undoubtedly be. But it is necessary to give a few dates and facts in relation to its progress and policy. The construction of the road was commenced in 1836, and that part of the line between Reading and Norristown was opened for business July 16, 1838. On the 5th December, 1839, the division between Norristown and Philadelphia was completed. The whole amount expended up to that date was $4,540,971. The construction of the line from Reading to Mount Carbon occupied the next two years, and this division was fully opened for traffic January 13, 1842. The Richmond track to the Delaware for the accommodation of the coal trade was completed on the 20th of May following.

Thus far the property of the company had cost them between $6,000,000 and $7,000,000, and probably the works were equal to the emergency. But really the completion here spoken of was but the commencement of a vast and ever increasing series of constructions. The coal trade was then in its infancy, and only beginning to attract attention. How it has been developed in the next twenty and odd years is illustrated in the foregoing tables. The 200,000 tons carried on the road in 1843 has become more than an annual cargo of 3,000,000 tons, while the passenger and

merchant traffics have increased in even larger proportions. To accomodate this development it was found necessary to increase the capacity of the road, and a second track, branches and sideings followed with an annual addition to the rolling stock, all requiring enlarged capital. The consequence has been that the earnings had to be diverted from their proper destination, and hence, though yearly increasing its profits, the stockholders have failed to realize any important dividends in the shape of cash. At least $35,000,000 have been earned above working expenses since the road was opened, but scarcely 10 per cent of this amount has been divided, excepting the dividends paid in stock; and yet such has been the prosperous condition of the company, especially of late years, that its stocks have been preferred to cash, and are now selling at a handsome premium.

The property of this company, indeed, has become a magnificent estate, and the capacity of the works for the vastly increased business unquestionable. The main line of works is the outlet of a mineral region of unexcelled value and controls all the operations within its area. By purchase and lease the whole system of railroads traversing it have been consolidated and are now operated under a single direction to the best advantage of the public as well as the company. This plan of absorption was commenced in 1858, when the Lebanon Valley Railroad was purchased. It has been pursued with such success that at the present day the company, whose original road had a length only of 92 miles, control over upwards of 750 miles of track. On this subject the annual report for 1855 has the following remarks:

"Several years ago it was decided to be the policy of the company to control, by lease or purchase, some of the important lateral roads in the coal regions. On these branch roads which intervened between the mines and the works of this company very high charges in most cases then prevailed, thus giving to their proprietors an undue proportion of the profits of the transportation from the mines to market. When such roads were from time to time so leased, the charges for transporting coal were materially diminished. Pending these purchases it was not deemed advisable to state them in detail in the accounts. In former reports they have appeared in the item, 'Stocks and bonds held by the company.' They are now transferred to, and will hereafter appear in the capital account. The largest investment has been made in the Mahanoy and Broad Mountain Railroad, from which one-fourth of the anthracite coal transported by this company was received during the past year. This road and its branches traverse the second coal field, from which largely increased supplies may be hereafter confidently expected. The balance of the stock and bonds $851,928 57 are chiefly of the same class of investments."

Besides these investments the company have expended, from income during the past three years, upwards of $5,000,000 in new works.

The works of the company, however, may now be assumed to be materially complete and sufficient for a much larger business than has yet been thrown upon them. Should this prove to be the case, the future is full of promise to the stockholders.

BRITISH AND NEW YORK RAILROADS.

The two series of tables which follow present certain statistics relating to the results of railroad operations in the United Kingdom and the State of New York in a form easy of comparison. The tables relating to the United Kingdom are constructed from the returns made annually to the British Board of Trade, and those relating to New York

from the returns made to the State Engineer and Surveyor. Both cover the decennial period 1855–64:

BRITISH RAILROADS.

Fiscal years.	Miles of road.	Stock, bonds, & float. debts.	Passengers carried.	Operations accounts.—Receipts.	Expenses.	Profits.
1855	8,280	£297,584,709	118,595,135	£21,507,599	£10,209,709	£11,2 7,8 0
1856	8,7 7	307,595,086	129,347,592	23,165,491	10,837,456	12,328,035
1857	9,094	315,157,258	139,008,388	24,174,610	11,240,339	12,934,271
1858	9,512	325,375,507	139,193,699	23,956,749	11,668,225	12,288,524
1859	10,002	334,362,928	149,807,148	25,743,502	12,593,213	13,150,289
1860	10,433	348,180,127	163,483,572	27,766,622	13,187,368	14,579,254
1861	10,869	362,327,338	178,773,218	28,565,355	13,843,339	14,722,018
1862	11,551	385,218,438	180,485,727	29,128,558	14,268,409	14,860,149
1863	12,323	404,215,802	201,699,466	31,156,397	15,027,234	16,124,153
1864	12,789	425,483,438	229,348,664	34,015,564	16,000,308	17,915,256
1855-64	103,589	£3,505,450,631	1,624,743,109	£269,180,447	£128,985,498	140,214,949
1855-64.(dolls)		$17,527,253,155	.....	$1,345,902,235	$644,827,490	$701,074,745

Dividing the above figures by the miles of road, the following are the resulting averages:

1855	£33,989	14,323	£2,597	£1,244	£1,353
1856	35,327	14,855	2,660	1,244	1,316
1857	34,655	15,395	2,659	1,236	1,422
1858	34,099	14,587	2,516	1,223	1,293
1859	33,436	14,980	2,573	1,258	1,315
1860	33,369	15,669	2,661	1,264	1,397
1861	33,336	15,988	2,628	1,273	1,355
1862	33,350	15,625	2,522	1,235	1,287
1863	32,804	16,613	2,528	1,219	1,309
1864	33,270	17,933	2,660	1,251	1,409
1855-64 (ten y's)	£33,840	15,698	£2,598	£1,245	£1,353
1855-64 (dolls.)	$169,200	.....	$12,990	$6,225	$6,765

NEW YORK RAILROADS.

Fiscal Years.	Miles of road.	Stock, bonds & float. debt.	Passeng's carried.*	Operating accounts—Receipts.	Expenses.	Profits.
1854-55	2,632	$144,835,217	10,917,618	$20,390,650	$12,102,961	$8,487,689
1855-56	2,632	144,351,597	11,101,912	23,331,077	13,649,565	9,681,512
1856-57	2,611	144,683,596	12,558,559	23,038,819	14,547,910	8,570,909
1857-58	2,644	145,482,573	10,250,073	19,720,208	12,613,052	7,107,156
1858-59	2,644	144,770,938	10,138,059	19,504,974	12,043,302	7,356,682
1859-60	2,701	146,918,712	10,305,978	20,477,599	12,652,676	7,824,923
1860-61	2,782	149,411,782	9,684,189	21,211,243	13,766,066	7,445,177
1861-62	2,829	116,206,113	12,870,455	27,163,119	16,029,914	11,133,205
1862-63	2,852	145,954,380	10,765,681	33,704,142	20,337,430	13,366,712
1863-64	2,852	151,861,768	14,192,056	41,807,104	29,193,748	12,613,356
1855-64	27,209	$1,464,278,676	113,079,680	$250,508,935	$156,941,625	$93,567,311

Dividing the above figures by the length of the roads, the following results are obtained:

1854-55	$55,029	4,146	$7,821	$4,600	$3,221
1855-56	54,843	4,218	8,848	5,186	3,662
1856-57	54,783	4,755	8,746	5,509	3,237
1857-58	55,023	3,877	7,459	4,770	2,689
1858-59	54,754	3,834	7,339	4,557	2,782
1859-60	54,414	3,817	7,584	4,686	2,898
1860-61	53,707	3,479	7,624	4,948	2,676
1861-62	51,602	4,549	9,601	5,666	3,935
1862-63	51,176	3,775	11,818	7,131	4,687
1863-64	53,949	4,976	14,659	10,237	4,422
1855-65	$53,816	4,156	$9,207	$5,768	$3,439

From the foregoing tables we have the following comparative results per mile:

COMPARATIVE RESULTS.

British Railroads	$169,200	15,698	$12,990	$6,225	$6,765
New York Railroads	53,816	4,156	9,207	5,768	3,439
Difference in favor of British	$115,384	11,542	$3,783	$457	$3,326

* This item is introduced solely to correspond with the British table. It is of no practical value, as the number, though act ally the same, would, of necessity, be reduced by the constant consolidation taking place. To be statistically effective the *mileage* of passengers ought to have been presented.

One of the most striking results of operating railroads in the United Kingdom is the moderation and uniformity of the expenditures. The average cost of operations, covering repairs, material and labor of all kinds, for the ten years 1855-64 was £1,245 or $6,225 per mile, £1,273 having been the highest and £1,219 the lowest in any one year. The average earnings in the same years was £2,598 or $12,990 per mile, varying from £2,661, the highest, to £2,516 the lowest points. The result has been an average profit of £1,353 (52 per cent of gross earnings) per mile, or *four* per cent on the average cost of a mile of road. From these figures it is evident that the expenditures have been economized to a practical minimum and an ascertained sum. The variations from these averages through ten years have been too slight to admit of questioning their permanence.

In America, or at least in New York, the average profits from operations for the ten years included in the tables have been only 37½ per cent. The average earnings per mile were $9,207, and the average cost of operating $5,768. To whatever this higher cost is due, whether the nature of the constructions operated on, or a want of economy, or both, the fact is no less important. But still, with the lower rate of profits the capital invested in American railroads earns, in relation to the investment, nearly 6½ per cent. It is not supposed, however, that this rate goes wholly to capital, as it is the practice of companies in this country to use earnings, (and in many cases a very large portion of them.) to extend or improve their properties. In Great Britain, on the contrary, new works and improvements are the basis of new capital, the whole of earnings going to the capital that has made them.

The territory occupied by the railroads of the United Kingdom and the State of New York is far from being of equal extent. The total area of the British Islands is 120,000 square miles and of New York 46,000 square miles, or in the relative proportion of 1000 to 383. Taking the average mileage of existing railroads for the ten years, this would give to the United Kingdom *one* mile of railroad to every 11.5 square miles of territory and to New York *one* mile to every 16.9 square miles.

The density of population is also largely in favor of the United Kingdom, which in 1860 contained 29,293,312 inhabitants or 244 to the square mile, while New York contained only 3,880,735 or 84 to the square mile—the difference being about 3 to 1 in favor of the former. But the insular condition of the British territory precludes what New York enjoys—a transit commerce of vast extent.

In the United Kingdom railroads and their accessory structures have been built for all time. In New York they have been constructed to meet successive emergencies without looking to the far future. The one presents solidity and grandeur, the other comparative weakness and insufficiency. The sequel of these opposite conditions is, that while the British can operate their railroads at the highest speed, we have to be satisfied with the lowest; and again, while renewals and repairs are the bane of American railroads, they are known to the British as accidental rather than incidental. The cost per mile of British railroads, however, has been more than three times as much as

those of New York, and such roads could only have been constructed by a people having large unemployed or badly remunerated capital. Here capital is scarce and profitably employed, and could not possibly have been diverted to a single purpose without prejudice to the general welfare.

PETROLEUM FOR 1865.

THE production of Petroleum the past year has not reached the point anticipated for it by the over sanguine. The large amount of capital attracted through brilliant promises during 1864, and the early part of 1865, has received but a poor return. Not only is this seen in diminished exports, but the total receipts have fallen off, showing a diminished production. For instance, the total amount taken for consumption at New York, and exported from New York, Boston, Philadelphia, &c., was as follows for the last three years:

	1863.	1864.	1865.
Exported from New York, bbls	468,690	533,394	377,162
Taken for consumption	314,481	242,187	241,161
Total New York	883,171	775'581	618,323
Boston exported	51,235	42,307	37,867
Philadelphia	134,898	194,005	307,673
Baltimore	22,896	23,949	25,209
Portland and elsewhere	8,553	1,769	3,737
Total, bbls	1,020,747	1,036,915	993,909

EXPORT OF CRUDE AND REFINED (INCLUDING NAPTHA, ETC.), FROM NEW YORK, FOR THE YEARS 1863, 1864, 1863 AND 1865.

	1862. Gallons.	1863. Gallons.	1864 Gallons.	1865. Gallons.
To Liverpool	1,781,377	2,156,851	734,755	1,561,987
London	1,133 399	2,576,381	1,430,710	876,283
Glasgow, &c	94,181	414,943	368,402	156,140
Bristol	.....	71,912	29,194	110,412
Falmouth, E	.....	626,176	316,402	509,815
Grangemouth, E	.....	426,334	.....	102,292
Cork, &c	299,356	1,582,257	3,310,362	1,157,486
Bowling, E	195	.....	87,164	.....
Havre	791,221	1,774,890	2,394.017	604,330
Marseilles	135,765	1,167,893	1,982,075	1,333,752
St. Nazaire & Rouen	.....	.....	....	93,841
Cette	2'0	.....	4,800	.....
Dunkirk	2,700	.....	232,803	110,099
Dieppe	61,692	46,000	79,561	.....
Antwerp	.....	2,692,974	4,149,831	1,593,538
Bremen	833,090	993,004	971,905	281,983
Amsterdam	452,529	436	77,041	....
Hamburg	229,384	1,486,155	1,186,060	981,766
Rotterdam	16,988	757,249	532,926	292,569
Gottenburg	81,960	.....	33,618	....
Cronstadt	.... .	88,069	400,376	891,389
Stettin	.....	.....	.....	53,317
Cadiz and Malaga	.....	33,284	58,474	97,782
Tarragona and Alicanta	.... .	33,000	16,823	44,968
Barcelona	.....	.....	25,500	5,128
Gibraltar and Malta	157	308,450	89,181	72,742
Oporto	.....	2,229	17,474	28,205
Naples and Palermo	3,990	57,115	7,963	22,615
Genoa and Leghorn	21,000	390,674	679,603	666,611
Trieste	... ..	3,000	165,175	66,371
Alexandria, Egypt	.....	.....	4,000	.....
Lisbon	.....	64,662	167,195	98,708
Canary Islands	1,295	5,125	3,868	5,944
Madeira	420	490	....	....
Bilboa	....	....	2,500	153,818
China and East Indies	3,970	36,942	34,338	42,170
Africa	655	12,230	25,195	17,090
Australia	283,622	304,165	377,384	735,891
Otago, N. Z	7,850	5,500	10,810	14,899

Sydney, N. S. W.	113,750	48,013	97,880	162,923
Brazil	54,967	160,152	149,676	291,752
Mexico	18,616	69,481	112,986	194,986
Cuba	213,690	356,436	418,034	704,627
Argentine Republic	7,390	24,470	20,260	67,416
Cisplatine Republic	13,217	117,636	78,552	72,852
Chile	17,898	66,550	92,550	53,326
Peru	56,011	256,407	169,061	110,840
British Honduras	...	440	6,072	2,052
British Guiana	9,396	15,104	7,881	5,800
British West Indies	18,888	60,951	70,976	108,141
British North American Colonies	2,943	16,995	28,902	104,080
Danish West Indies	4,102	31,503	8,463	10,947
Dutch West Indies	7,117	12,148	26,638	18,809
French West Indies	2,332	9,104	16,020	31,118
Hayti	4,856	12,064	7,088	13,696
Central America	1,764	456	993	5,494
Venezuela	1,094	15,455	22,583	39,794
New Granada	37,058	107,837	57,490	58,570
Porto Rico	25,944	59,439	20,096	43,355
Total	6,720,213	19,547,604	21,335,784	14,339,132

TOTAL EXPORTS IN 1862, 1863, 1864 AND 1865.

	1862.	1863.	1864.	1865.
From New York.....gallons	6,720,278	19,547,604	21,335,784	14,339,132
Boston	1,071,100	2,049,431	1,696,307	1,428,978
Philadelphia	2,800,972	5,395,738	7,760,148	11,891,563
Baltimore	174,830	915,866	929,971	973,177
Portland	120,150	342,082	70,762	11,088
New Bedford	.....	.....	.....	50,000
Cleveland	.....	.....	90,000	81,173
Total export from the U. States	10,887,330	28,250,721	31,872,972	28,775,111

COMMERCIAL CHRONICLE AND REVIEW.

Uncertainty in financial matters, cause of dull business—Rates of loans and discount—New finance bill before Congress—Specie payments and compound interest notes—Prices of U. S. securities in London—Prices of U. S. securities in New York—Ownership of lost bonds—Treasure movement—Failures for the year—Railroad stocks and the Mississippi—Course o Gold and Exchange.

THE general complaint in commercial and financial circles the past month has been that business is dull, and that in several important departments industrial and commercial enterprise is for the present almost arrested. Among the causes of this torpor a permanent place must be given to the incertitude as to the future course of prices. If the policy of contracting the currency is to be carried forward, then there must inevitably be a general "shrinkage" of prices, and on a falling market nobody wants to buy. Every man in business is anxious to curtail his engagements, not knowing what changes may be impending in prices and in private and public confidence. The agitation respecting the financial policy of the government is thus producing wide-spread depression and probably there will be no positive improvement until the course of the Treasury in reference to the currency is definitely marked out and settled by Congress.

As generally happens in cases similar to the present, an unusual amount of unemployed funds is held by capitalists and merchants who are anxious to have their means at command. Thus larger sums of money are offering in Wall Street every day than the very limited business now doing can find employment for. The money market is plethoric with capital-seeking temporary borrowers, and the deposits in the banks rise and fall in a very embarrassing and spasmodic manner, as the dealers are able to withdraw to lend their funds for a day or two

on call. These and kindred symptoms have awakened some apprehension lest a panic should supervene. But, really, such cautious circumspection affords the very best ground of confidence. For the panic which every body expects never comes. And the short credits which are now in vogue are among the very best safeguards against such financiul disasters. The following have been the rates for the various class of loans through the month:

RATES LOANS AND DISCOUNTS.

	Jan. 5.	Jan. 12.	Jan. 19.	Jan. 28.
Call loans	6@..	6@ 6	4 @ 6	5 @ 6
Loans on Mortgage	6@ 6½	6@ 6½	6 @ 6½	6 @ 7
A. 1, endorsed bills, 2 ms	7@ 8	7@ 8	6½@ 7½	6½@ 7½
Good endorsed bills 3 & 4 mos	8@ 9	8@ 9	7½@ 8	7½@ 8
" " single names	8@10	9@10	8 @ 9	8 @ 9
Lower grades	10@15	10@15	10 @15	10 @15

As stated above we do not look for any decided revival of business, until Congress has indicated what is to be its action in reference to our finances. The bill reported by Mr. Morrill, the 8th of January, and now before the Committee of Ways and Means for consolidating the public debt, &c., is, therefore, the most important measure of the session, and many of its features have called forth decided opposition and served to disturb public confidence. In the examination of its details, however, our readers must keep in mind the state of things with which the bill has to deal, and the difficulties it is designed to meet.

The chief of these difficulties is the large amount of our short-date floating obligations. Of our national debt, which amounts altogether to about 2,800 millions, some 1,100 millions are represented by long bonds, none of which mature before the year 1880. The remainder of the debt, or almost 1 700 millions, is of shorter date, the larger part of it falling due in 1867 and 1868. The problem to be solved by the bill before us then is to raise 1,700 millions of dollars during the next two years, or as soon thereafter as the money may be wanted to extinguish the greenbacks and other outstanding obligations of the Treasury. Mr. McCulloch, when he was here the early part of the month, expressed the opinion that the income of the Government from taxation will be enough to pay all new claims and current expenditures. If so, the above-mentioned 1,700 millions are all that will be necessary to provide for by a loan.

Now there are some among us who say that this amount is too large for us to raise without appealing to foreign capitalists for aid. But the Treasury report recently presented to Congress, shows that during the last year of the war we raised by loans and taxes no less than $1,897,674,224. We shall surely be able to raise 1,700 millions in several years, if during a single year of war we raised 1,900 millions, without impoverishment, without prostrating our national industry, and without producing more than a transitory retardation of the swift, deep widening current of our national wealth. Yet in deference to the desponding few there has been inserted in the draft of the new finance bill the objectionable and unpopular feature of a foreign loan.

Another complaint against the bill at present is that, as repotred, it lacks unity of purpose and is too vague and indefinite. The amount to be borrowed under it for instance is nowhere fixed. In no previous loan bills, even during

the prodigious expenses of the war, has Congress ever failed to limit the borrowing power to a specific amount. But although we know exactly how much we shall require to borrow, the measure fixes no limits to the authority given to the Secretary of the Treasury to issue securities or to pledge the credit of the nation.

Moreover, he is to emit bonds not only for the purpose of retiring United States notes and other floating obligations, but he may exchange any bonds authorized by this act for any other bonds of the United States. This last provision is interpreted to refer to the five-twenties, and to the sixes of 1881; which securities it is urged should be transformed into one consolidated fund. The magnitude of this change may be inferred from the fact that five-twenties amount to $665,370,800, and the sixes of 1881 to $282,645,800, both bearing interest at 6 per cent in coin.

For our own part, however, we can scarcely believe that this plan is seriously entertained or could be at present realized. The time for changing the interest on our bonds from 6 to 5 per cent, or even lower, will assuredly come. But before that change is possible Congress will have abundant time to consider the best methods of accomplishing the work. And the bill before us is intended for a very different purpose. That part of the first section, therefore, which authorizes the exchanging of bonds, except it can be sustained by more adequate reasons, will run imminent risk of being struck out. The objects to be accomplished by the present Congress in this part of its financial legislation are of the highest possible moment, and the country cannot afford to run the risk of having them thwarted by complications with schemes of doubtful practicability and more than doubtful policy. But it is generally agreed that Mr. Morrill's loan bill, in its present shape, cannot pass, and that Congress will have to make some important modifications to render it acceptable to the nation or adapt it to its purpose. In the meantime, however, commercial enterprise must be arrested and business must continue dull so long as a doubt with regard to our future financial policy exists.

It should be remembered by Congress that after all, the great point to be solved is, how can we return to specie payments with the least disturbance to our monetary and commercial interests. The fundamental great fault of our paper currency is evidently its redundancy. Too much of it is afloat, and the over issue has caused its depreciation. Whatever diversity of opinion obtains in the public mind on other monetary questions, on this point there is none. We all believe that the first thing to be done, with a view to currency reform, is currency contraction. Before we can hope to resume coin payments, the volume of our paper money must be reduced. How much of it must be withdrawn, none of us are wise enough to say. We shall find out by experience. But the best evidence at command seems to point to the conclusion that the amount of our paper currency will not usually exceed 350 or 400 millions in time of specie payments. Whatever may hereafter prove to be the normal amount, however, we know that a very large part of the paper currency now afloat must, as soon as possible be demonetized and got out of the way.

Some people argue as if this contraction of our paper money were a work of the future, a voyage not yet begun, a perilous enterprise for which we have no precedents to guide us. But, really, the process of contraction has been going on around us for several months past; and it has proceeded so gradually and quietly that we have scarcely suspected, as we have seen gold fall, and merchandise fall, and most of the necessaries of life fall, that to the other causes of this decline of prices was added one greater and more permanent than them all—the appreciation of our currency, the gradual contraction of its volume, the increasing growth of its purchasing power.

It is a noteworthy and very gratifying fact, that this contraction has been effected without any of those spasms which usually attend such changes, and is altogether due to the compound interest notes. They have proved to be at once the most powerful the most satisfactory, and the most elastic of all the methods which have ever been devised for checking the inflation and contracting the volume of a depreciated paper money.

Of these compound notes there are at present outstanding 180,000,000; most of which have now ceased to circulate as money. The volume of our active currency has thus been lessened to a corresponding extent, and the contraction of the currency has produced and will continue to produce, as it goes on, a powerful effect on prices.

Nor is this result mysterious or incapable of rational explanation. It is in perfect accordance with the well-known principles of monetary science. For, as the best authors tell us, there are two things which chiefly govern the depreciation of paper money, first its quantity and secondly its activity. If we wish to diminish the depreciation of our currency we must diminish either its quantity or activity or both.

Such, then, is the problem to be solved in the restoration of our currency. We shall lessen its depreciation in proportion as we either lower its quantity or retard its activity: As we stated before this is being done by the compound interest notes. These notes, when first issued, move as quickly from hand to hand as ordinary greenbacks; but as interest accrues they circulate slowly, because they are legal tender only for their face, and the holder, if he pays them out, loses the interest. After a few months they accumulate in the vaults of banks and elsewhere, and do not emerge from their retreat to join the current of the circulation except when some stringency or pressure in the money market summons them. And at length, when they are sufficiently fat with interest, they slumber in their hiding place, no matter how severe the pinch and monetary spasm may be. Here, then, we have the problem of contraction completely solved. We see a legal tender note passing through all the stages of diminishing activity, until at last it is, for all practical purposes, as completely demonetized and fixed as the United States bonds themselves.

This, then, is the machinery for contracting our currency. It is a plan which is now in operation. It has stood the test of experience. What remains to be done is to use it wisely. Let the whole mass of greenbacks be gradually, slowly converted into compound interest notes falling due at different dates. Let these compound notes be funded into long bonds on liberal terms during their third

year; and finally let the banks continue to use these notes as a part of their reserve until maturity, but not afterwards. In other words, let these notes cease to be legal tenders at maturity.

The uncertainty as to financial measures to be adopted by Congress has tended to depress Government securities through the month Towards the latter part of the month the news from Europe of the delicate condition of the finances at London also combined to produce a general indisposition to buy United States bonds Later dates, however, show continued demands in England and on the Continent for five-twenties, with a decided advance in face of the high rate of interest now asked at the Bank of England, and consequently a better feeling exists here. The following table shows the prices at London of five-twenties and other American securities each day, for the first two weeks of January, 1866:

PRICES OF AMERICAN BONDS AND STOCKS AT LONDON.

	Week ending January 6.					Week ending January 13.					
	Mon	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues.	Wed	Thur	Fri.	Sat.
United States 5'20's, '62.	Holiday.	65⅛	64⅝	64⅝	64¼	64⅝	64⅛	64⅛	64⅞	64⅞	64⅞	65⅛
Virginia State 5 per cents.		50	50	50	50	50	50	50	50	50	50	50
do do 6 do .		41	41	41	41	41	41	41	41	41	41	41
Atlan. & G. West, Newp. section, 1st mort. 1880.		78	78	78	78	78	78	78	79	77	77	77
do Pennsylva, 1877		..	..	..	..	..	81	81	79	80	80	80
do do 1883		74	74	74	74	74	74	74	74	74	74	74
Erie Scrip, 6 per cent		1⅛p.	1prm	1p.	⅛p	⅛p.	⅛p	⅛p	⅛p	⅛p	⅛p	⅛p
Illinois Central, 1875, 6 p.c		81	81	81	81	81	81	81	80	80	81	81
do do 7 per c't		70	70	70	70	70	70	70	68	65	68	68
do do $100, all p'd		78⅜	77⅞	77⅞	77	77⅛	76⅜	75⅜	75⅝	75⅜	75⅝	76⅛
Marietta & Cincinnati ...		73	73	73	73	73	73	73	73	73	73	73
Panama R., 2d mort, 1873		102	102	102	102⅜	102⅛	102	102	102	102	102	102
Penn. R'd Bonds, 2d mort		85	85	85	85	85	85	85	85	85	85	85
do do $50 shares		34	34	34⅛	34	34	34⅛	34	34	34	40	40
Philadelphia and Erie, 1st mort, 1881, guaranteed by Pennsylv'nia Railr'd		75	75	75	74⅝	74⅛	75	75	75	75	75	75

The prices here of governments and the last sales on each day through the month have been as follows:

PRICES OF GOVERNMENT SECURITIES, JANUARY, 1866.

Day of month.	6's, 1881. Coup.	6's, 1881. Reg.	6's, 5-20 yrs. Coup.	6's, 5-20 yrs. Reg.	5's, 10-40 yrs. Coup.	5's, 10-40 yrs. Reg.	7-30's, 1863.	1 y'r certif.
Monday.... 1			(*New Year's Day.*)					
Tuesday ... 2	104⅛	.....	105	.....	93¾	....	99⅛	98⅛
Wednesday 3	104⅛	104⅛	104⅞	.....	93¾	...	99⅛	98⅛
Thursday .. 4	104⅛	.....	105	.....	93¾	....	98⅞	98⅛
Friday..... 5	104⅛	104⅛	104⅞	102⅛	93⅜	....	98⅜	98⅛
Saturday... 6	104⅛	104⅛	105	102⅛	93⅝	....	98⅜	98⅛
Sunday. ... 7	.....	.....	.....	.....	.....	....	....	....
Monday.... 8	.....	.....	104⅛	102¼	....	....	....	98⅛
Tuesday.... 9	103¾	104¼	103¾	.....	93	....	98⅛	98⅛
Wednesday10	103¾	104⅛	104	.	93¼	....	98⅛	98⅛
Thursday ..11	104⅛	104⅛	104⅛	.....	93⅛	....	98⅛	98⅛
Friday.....12	104	104⅜	104	.....	93¼	....	98⅛	....
Saturday...13	104	.....	103⅞	.....	93⅜	....	....	98⅜
Sunday 14	.....	.....	.....	.....	....	....	....	....
Monday....15	104	.....	104	.....	93	....	99⅛	98⅛
Tuesday 16	104¼	104¼	104	.....	93¼	93¼	....	....
Wednesday17	104	....	104	103	93⅛	....	99⅛	98⅛
Thursday ..18	104	104	103¾	.....	93¼	93⅜	99⅛	98⅛
Friday.....19	103¾	.....	103⅝	.....	93¼	....	99⅛	98⅛
Saturday...20	.....	.....	103¾	.....	92⅞	....	99	98⅜
Sunday.....21	.....	.....	.....	.....	....	....	....	....
Monday....22	.....	.....	103	.....	93	93¼	99	....
Tuesday ...23	103⅛	.....	103	.....	93	....	99⅛	98⅜
Wednesday24	103⅛	.....	103	.....	93	....	98⅞	....
Thursday ..25	103⅜	103⅛	102⅞	.....	93	93	98⅞	98⅜
Friday.....26	103⅜	.....	102⅜	101⅜	92⅞	....	98⅝	....
Saturday...27	103⅛	...	102	101⅜	92⅛	....	98⅞	98⅜
Sunday.....28	.....	.....	.....	.....	....	....	....	....
Monday....29	103⅛	103⅜	101⅛	.....	92⅜	....	98⅞	98⅜
Tuesday...30	103	.....	101	.....	92	....	98	98
Wednesday31	103	.....	101	.....	92	....	98	98
Lowest.....	103⅛	103⅞	101⅛	101¼	92⅛	93	98⅜	98⅛
Highest	104⅛	104⅛	105	102⅛	93⅜	93⅛	99⅛	98⅞

Among the numerous questions of disputed ownership of lost or stolen bonds, none recently raised has been of more interest than that which was reported in the Washington correspondence of one of our city papers a few days since. The following is the statement, as it appeared in the *Herald*:

"A case was recently brought before the Treasury Department for decision of considerable interest to holders of certificates of indebtedness and other government securities. The holder of a thousand dollar certificate mailed it to the department for redemption without filling the blank space making it payable to the order of a particular person. It was stolen from the mail, and sold finally to a party in Boston, the blank filled by this holder, and the certificate forwarded to the department the second time. Both parties forwarding it for redemption promptly notified the department, and on its final arrival each claimed its possession. The department held that by neglecting to fill the blank the New Yorker lost possession, and awarded its payment to the Boston holder."

It may, at first sight, be questioned whether the Treasury Department was justified in deciding the question of ownership, or whether this point should not have been left for a court of law to determine. But the ruling of the courts is so uniform on this point that there is no doubt but the Treasury Department acted rightly in the business. The certificate is payable to the bearer just as a bank bill, or a greenback treasury note. The chief point of interest in this case is, however, the view it gives of the carelessness of the man who mailed the document to Washington for redemption without properly cancelling it. Had he written across the face of the certificate, as is usual, the words, "Pay to the Secretary of the Treasury for redemption," and signed his name to this endorsement, the security would have been of no value whatever to any other person but himself; it would have been paid to nobody else; and he would have had a claim on the Department for the amount, even if the security itself was never found. It was also a proof of carelessness to send by mail, in any case, a valuable document which is negotiable like a bank note by personal delivery. A prudent man would send such papers by Express, as the companies are, in all cases of loss, responsible for the full amount.

The treasure movement at New York weekly, and the amount in banks at the close of each week since January 1, has been as follows:

TREASURE MOVEMENT FOR 1866.

1866. week ending	Receipts. from California.	Exports. to foreign countries.	Sub-Treasury. Customs receipts.	Sub-Treasury. Interest payments.	Sub-Treasury. Gold Certificates issued.	Sub-Treasury. Certificates returned.	In banks at close of week.
Jan. 6	.....	$552,027	$2,107,341	$3,597,240	$3,122,440	$1,34,8332	$15,778,741
" 13	$685,610	640,503	2,334,694	1,130,789	3,206,180	1,578,194	16,852,568
" 20	799,706	685,894	2,754,369	574,162	2,706,403	1,928,641	15,265,378
" 27	.....	656,812	3,226,040	279,842	2,598,400	2,137,048	13,106,759
Since Jan 1	$1,485,316	$2,535,236	$10,422,444	$5,582,033	$11,633,420	$6,992,715	$13,106,759

The failures for the past nine years have just been published by Messrs. R. G. Dun & Co. of this city.

The statement is as follows for the Northern States:

1857	4,257	$285,518 000	1862	1,652	$23,049,300
1858	3,113	73,808,746	1863	495	7,899,000
1859	2,959	51,314,000	1864	510	8,579,700
1860	2,733	61,739,474	1865	500	17,625,000
1861	5,935	178,632,180	Average from '57 to '65.		$76,473,000

From this report it appears that while 4,257 failures occurred in 1857 and 5,935 in 1861, there were no more than 500 last year and 510 the year before.

It is worthy of remark that the pecuniary amount of the failures was twice as large in 1865 as in 1863 and 1864. This is partly accounted for by the fact that the capital employed by business firms is greater than ever before. There is an increasing tendency in our capital to move in larger masses than formerly. Small business firms compete at more disadvantage with richer houses, and are gradually being absorbed into them. Thus we have more men worth $100,000 in some of our large commercial cities than were reputed five years ago to be worth $50,000. No doubt much of this reputed capital is fictitious. But the power accumulating in the moneyed classes from the concentration of capital in large masses is attracting the attention of close observers of the money market. It is one of the signs of the times, and will probably exert no small influence over the future growth of our industrial and commercial enterprise.

Railroad stocks have been decidedly lower during the month as will be seen from the table below:

PRICES OF RAILWAY SHARES.

	Sept. 23.	Oct. 23.			
New York Central	94	97¼	96¼	96¼	91
Hudson River	109¼	106¼	108¼	108¼	101¼
Erie	88	92¼	91¼	96¼	83¼
Reading	109¼	114¼	115⅜	106	98¼
Mich. So. and N. I.	68	73¼	73⅜	74¼	67¼
Illinois Central	129	137¼	132	131¼	115¼
Cleveland and Pittsburg	71¼	82⅜	91¼	83¼	78
Chicago and N. W.	28	30	35⅜	35⅝	28⅜
Chicago and R. I.	112⅜	107¼	107¼	108	97¼
Fort Wayne	98¼	99¼	105¼	106¼	93¼

The movement in railroad stocks has been almost exclusively speculative and confined to brokers and professional operators. The outside public prefer investing their surplus means in Government securities to taking ventures in stocks; indeed, the successes of speculation and the losses of inexperienced dabblers appear to have produced a very general impression in the public mind that, to the uninitiated, Wall street speculation affords much better chances for losing money than for making it; and the result is that speculation is now little else than a changing of securities between brokers.

The cause of the decline may probably be traced to the decrease in the earnings of the railroads since the opening of the Mississippi. The events of the last four years appear to have almost obliterated the consciousness that we have a great natural outlet for commerce in the far South. Gradually the products which have been wont to flow on the bosom of the "Father of Waters" to the ocean have been directed to the railroads and canals which feed the Atlantic cities; and almost unconsciously New York has been transacting an enormous trade which geographical distribution has assigned to New Orleans. This fact is well illustrated by the following, showing the gross earnings of the principal railroads leading from the Mississippi River to Chicago, and from Chicago eastward, for the years 1960–65, both inclusive. The returns for 1860 show the trade as it was before the river was closed; during 1861, the river being open part of the year, and all business paralized during the first months of the war, the full effect of the change is not seen. In 1863 the tide towards New York had fully set in, and has continued to increase until within the last three months

of 1865. Allowance, of course, however, should be made, in examining this statement, for the higher freight charges asked during our currency depreciation:

Years.	Illinois Central.	Pit'bg, F.W. & Chicago.	Chicago & Alton.	C. B. & Rock I.	Michigan Central.	Michigan Southern.
1860...	$2,664,848	$2,335,854	$ 938,641	$1,181,008	$2,025,142	$2,068,896
1861...	2,899,612	3,031,787	1,098,464	1,261,050	2,124,314	2,189,077
1862...	3,445,827	3,745,310	1,225,001	1,428,439	2,650,702	2,647,838
1863...	4,571,028	5,132,934	1,678,706	1,959,267	3,143,945	3,302,541
1864...	6,329,447	7,120,465	2,548,416	3,095,470	3,966,946	4,110,154
1865...	6.837,586	8,438,394	3,703,118	3,228,088	4,521,046	4,951,441

The following table compares the gross earning of these lines for the month of December, 1865, and for 1864:

Railroads.	Gross Earnings 1864.	Gross Earnings 1865.	Earn'gs per week 1864.	Earn'gs per week 1865.
Chicago & Northwestern	$563,401	$546,609	$ 925	$ 805
Chicago & Alton	241,582	224,022	860	799
Chicago & Rock Island	321,086	190,227	1,770	1,045
Illinois Central	603,402	497,402	852	827
Michigan Central	376,470	328,869	979	857
Michigan South. & N. Indiana	411,806	366,192	784	700
Pittsburg, Fort Wayne & Chicago	914,082	570,826	1,953	1,219

The year opened with gold at 144⅛, gradually declining during the first week to the neighborhood of 140, and on the 9th dipping to 136⅛; the fluctuations have since then been very small, the range for the last two-thirds of the month not having exceeded 3½, vibrating in the meanwhile from 141½ to 137⅞, and closing on the 31st at 139¼. The total range of the month was between the prices of the 2d and those of the 9th a difference of 7½. The following table, constructed from the Gold Exchange Lists, shows the daily fluctuations for the month:

COURSE OF GOLD FOR JANUARY.

Date.	Open'g	High'st	Lowest	Closing.	Date.	Open'g	High'st	Lowest	Closing.
Monday 1	.....	.....	.....	.....	Saturday 20	138¾	139½	138⅝	138⅞
Tuesday 2	144⅜	144⅜	144⅛	144⅜	Sunday 21	.....	.....	.....	.....
Wednesday 3	144⅛	144⅛	143¾	143¾	Monday 22	139⅛	139⅛	138¾	138¾
Thursday 4	143⅝	143¾	142½	143	Tuesday 23	138⅞	139⅛	138¾	139⅛
Friday 5	142⅝	143¼	142⅜	143⅛	Wednesday 24	139⅛	139⅞	139⅛	139⅜
Saturday 6	142⅞	143	141⅜	141⅞	Thursday 25	139¾	139⅜	139⅛	139⅜
Sunday 7	.....	.....	.....	.....	Friday 26	139⅜	139⅞	139⅜	139⅞
Monday 8	141⅜	141⅝	139⅜	139⅜	Saturday 27	139⅜	139⅞	139⅜	139⅞
Tuesday 9	138⅝	139⅛	136¾	138⅜	Sunday 28	.....	.....	.....	.....
Wednesday 10	139	139⅞	138⅜	139⅜	Monday 29	139⅝	140¼	139¾	140
Thursday 11	139	139⅛	138¾	138⅜	Tuesday 30	141	141⅛	140⅜	140⅝
Friday 12	138⅛	139¼	138⅛	138⅜	Wednesday 31	140⅜	141⅜	139⅝	139¾
Saturday 13	139⅛	139⅝	139	139⅜					
Sunday 14	.....	.....	.....	.....	January, 1866	144⅝	144⅝	136⅜	139¾
Monday 15	139¾	139⅝	139⅛	139⅜	" 1865	228⅜	234⅜	197⅜	210⅜
Tuesday 16	139⅜	139⅞	139	139⅝	" 1864	151⅜	159⅜	151⅜	157
Wednesday 17	139⅝	140⅜	139⅜	140⅛	" 1863	133⅜	160¾	133⅛	160¾
Thursday 18	139⅞	140	138¾	138¾	" 1862	*par*	103¾	*par*	103⅜
Friday 19	138⅜	138¾	137⅛	138⅛					

The uncertainty as to the action of Congress in relation to the currency, and the recent rise in the minimum of the Bank of England have had a tendency not only to maintain the prices but to foster an advance in rates. This is especially observable in the last half of the month.

The following table shows the highest and lowest prices of gold in this market for each month of the years 1862-65, both inclusive:

Months.	1862.	1863.	1864.	1865.
January	100 @103¾	133⅛@160⅝	151¾@159¾	197¼@284¾
February	102⅝@104¾	152⅛@172¼	157¼@161	196¾@216¾
March	101¾@102⅝	139 @171¾	159 @169¾	148¾@201
April	101¾@102¾	145⅛@157½	166¼@184¾	143¾@154⅜
May	102¼@104¾	143¼@154¾	168 @190	128¾@145¾
June	103¾@109½	140¾@148¾	193 @250	135¼@147⅜
July	108¾@120¾	123¼@145	222 @285	138¾@146¾
August	112¾@116¼	122½@129¾	231¾@261¾	140¾@145¾
September	116¼@124	126⅞@143¼	191 @254½	142¾@145
October	122 @133½	140⅞@156¾	189 @227½	144¾@149
November	129 @133¾	143 @154	210 @260	145¾@148¾
December	128¾@134	148¼@152¾	213¾@243¾	144¾@148¾
Year	100 @134	122¼@172½	151¾@285	128¼@284¾

The following statement shows the daily fluctuations of foreign exchange on London, Paris, Amsterdam, Bremen, Hamburg, and Berlin at New York for the month of January, 1866:

COURSE OF EXCHANGE FOR JANUARY.

Days.	London. cts for 54d.	Paris. centimes for $.	Amsterdam. cts for florin.	Bremen. cents for rix $.	Hamburg. cents for M. banco.	Berlin. cents fo thaler.
1		*(New Year's Day—A Legal Holiday.)*				
2	109 @109¼	520 @516¼	40¼@41	79¼@79¼	36¼@36¼	71¼@71¾
3	109 @109¼	520 @516¼	40¼@41	79¼@79¼	36¼@36¼	71¼@71¾
4	109 @109¼	520 @516¼	40¼@41	79 @79¼	36¼@36¼	71¼@71¾
5	109 @109¼	520 @516¼	40¼@40¾	79 @79¼	36¼@36¼	71¼@71¾
6	109 @109¼	520 @516¼	40¼@40¾	79 @79¼	36¼@36¼	71¼@71¾
7						
8	109 @109¼	520 @515¼	40¼@40¾	78¾@79¼	36¼@36¼	71¼@71¾
9	109 @109¼	520 @515	40¼@41	78¾@79¼	36½@36¼	71¼@71¾
10	109 @109¼	520 @515	40¼@41	78¾@79¼	36½@36¼	71¼@71¾
11	108¾@109	521¼@517½	50⅛@40¾	78¾@79	36 @36¼	71 @71¾
12	108¾@109	520 @516¼	40¼@41	78¾@79¼	36½@36½	71¼@71¾
13	108¾@109	520 @516¼	40¼@41	78¾@79¼	36¼@36¼	71¼@71¾
14						
15	108½@108¾	520 @517½	40¼@40¾	78¾@79¼	36¼@36¼	71¼@71¾
16	108¾@109	520 @516¼	40¼@40¾	78¾@79¼	36¼@36¼	71¼@71¾
17	108¾@109	520 @516¼	40¼@40¾	78¾@79¼	36¼@36¼	71¼@71¾
18	108¾@108¾	521¼@517½	40¼@40¾	78¾@79¼	36 @36¼	71¼@71¾
19	108½@108¾	522½@517½	40¼@40¾	78¾@79	36 @36¼	71 @71¾
20	108¾@108¾	522½@517½	40¼@40¾	78¾@79	36 @36¼	71 @71¾
21						
22	108¾@108¾	521¼@518¾	40¼@40¾	78¼@79	36 @36¼	71 @71¾
23	108¾@108¾	522½@518¾	40¼@40¾	78¾@79	36 @36¼	71 @71¾
24	108½@108¾	522½@518¾	40¼@40¾	78¼@79	36 @36¼	71 @71¾
25	108¾@108¾	522½@518¾	40¼@40¾	78¼@79	36 @36¼	71 @71¾
26	108½@108¾	522½@517½	40¼@40¾	78¼@78¾	36 @36½	71 @71¾
27	108¼@108¾	522½@517½	40¼@40¾	78¼@78¾	36 @36¾	71 @71¾
28						
29	108¾@108¾	520 @517½	40¼@40¾	78¼@78¾	36 @36¼	71 @71¾
30	108 @108¾	522½@518¾	40¼@40¾	78 @78¾	36 @36¼	71 @71¾
31	108 @108½	523¼@518¾	40¼@40¾	78 @78¼	36 @36¼	71 @71¾
Mth	108 @109¼	523¼@515	40¼@41	78 @79¼	36 @36¼	71 @71¾

JOURNAL OF BANKING, CURRENCY, AND FIANCNE.

Boston Bank Dividends—New York City Banks—Philadelphia Banks.

We gave last month the dividends of the New York banks, showing their profits for a series of years. Below will be found a statement of the Boston banks, their dividends for 1864 and 1865, and the highest and lowest and lowest prices of the stock of each for the same years, which we have prepared from the circular of Joseph G. Martin:

Banks.	Capital, Janu'ry, 1866.	Dividends. 1864. April.	1864. Oct'r.	1865. April.	1865. Oct'r.	Price. 1864. Highest and lowest.	1865. Highest and lowest.
Atlantic National	$750,000	3	4	4	5	94 –110	97¼–111
Atlas National	1,000,000	4	4	10	5	99¼–121¾	97 –120
Blackstone National	1,000,000	5	5	5	5	103¾–120	105 –117
Boston National	750,000	3	4	4	4	90 –102	96¾–103
(Old) Boston National, par 50	900,000	4	4	4	20	63 – 94½	60 – 83
Boylston National	500,000	5	5	5	6	113 –125	117¾–128
Broadway National	200,000	4	4	4	5	94 –104	98 –103
City (National)	1,000,000	4	4	4	4	102 –123	98¾–108¼
Columbian National	1,000,000	3½	3½	3*	15	104 –131	105 –140
Commerce (Nat. Bank of)	2,000,000	4	4	5	5	100 –117½	105 –116
Continental National	500,000	4	5	6	5	97½–105	101 –106
Eagle (National)	1,000,000	4	4	4	9†	109 –135	110 –168¾
Eliot National	1,000,000	4	4½	5	5	98¼–108	103½–112
Exchange (National)	1,000,000	5	5	5	6	118 –150	125¼–134
Faneuil Hall National	1,000,000	5	5	5	5	120 –140	115 –169
First National	1,000,000	5	5	6	6	102 –125	120 –136
Freeman's National	400,000	4	4	4	25	97½–115	104 –130
Globe National	1,000,000	4	4	20	12	128 –141	118¼–150
Hamilton National	750,000	8	6	0	7	127 –156½	112¾–174
Hide and Leather (Nat'l)	1,000,000	4	5	5	6	105 –115½	115½–130
Howard National	750,000	4	4	4	5	98¾–112¾	93¾–113
Market National	800,000	4	20	4	4	$72 –103½	98¾–106
Massachusetts Nat'l...p. 250	800,000	4	4	10	5	106 –135	107 –160
Maverick National	400,000	3½	3½	5	5	90 –105¼	92½–107
Mechanics' National	250,000	4	4	4	5	108 –114	100 –124
Merchants' National	3,000,000	3½	4	5	5	99½–114½	102 –118½
Mount Vernon National	200,000	4	4½	10	5	97 –110	101¼–116
New England National	1,000,000	4	5	5	5	112 –125	110 –125
North National	1,000,000	3	4	5	5	96¾–114½	96¾–105
North America (Nat. B'k of)	1,000,000	3½	3½	25‡	4½	97 –110	95 –125
Pawners' (div. July & Jan.)	100,700	3	4½	4	4	85 –104¾	94¾–102¼
Republic (Nat. B'k of the)	1,000,000	3½	4	5	5	98½–103½	102¾–115
Revere (National)	1,000,000	4	4	10	6	104¾–118	115 –130
Second National	1,000,000	4	5	7¾	7¾	112¾–130¾	124 –140½
Shawmut National	750,000	4	4	4	5	96 –105¾	99 –107
Shoe and Leather National	1,000,000	5	6	5	6	129 –156¾	123¾–150
State National§	2,000,000	3½	13¾	4	4	63 – 90	67 –108
Suffolk National	1,500,000	5	5	0	5	114 –242	113 –123
Third National	300,000	new		8	4	95 –101¾	97 –109
Traders' National	600,000	3	3	3½	3½	90½–103	88¾–105
Tremont National	2,000,000	4	4½	4	5	114½–148	105 –146
Union (National)	1,000,000	10	4	4	10	112½–140	110 –140
Washington National	750,000	4	4	6	6	100 –125¾	107 –125
Webster (National)	1,500,000	4	4	8	5	100 –115	102 –115

A large number of these banks (now all National) have paid extra dividends the past two years (on re-organization under the United States law,) which we give in detail below:

Atlas, 10 per cent, regular and extra, April, 1865.
Blackstone, 20 per cent, in stock, December, 1864.
Boston, 20 per cent, December, 1864, and 20 per cent, regular and extra, Oct. 2, 1865.
Boylston, 25 per cent, in stock, April 1, 1865.
Broadway, 12 per cent, in stock, December, 1864.
City, 10 per cent, in gold (selling at 235), Dec. 13, 1864.
Columbian, 15 per cent, regular and extra, Oct. 2, 1865.
Eagle, 9 per cent, regular and extra, Oct. 2, 1865.
Exchange, 20 per cent, Jan. 2, 1865.
Faneuil Hall, 50 per cent, April 1, 1865.
Freeman's, 25 per cent, regular and extra, Oct. 2, 1865.
Globe, 20 per cent, April 1, and 12 per cent, Oct. 2, 1865, regular and extra.
Hamilton, 8 per cent, regular and extra, April 1, 1864, and 60 per cent, March 1, 1865.
Hide and Leather, 5 per cent, Jan. 10, 1865.
Howard, 12½ per cent, in stock, March 1, 1865.
Market, $20 per share of $70, in stock, and no cash dividend Oct. 1, 1864; then assessed $10 per share, raising the par from $70 to $100.
Massachusetts, 10 per cent, regular and extra, April 1, and 10 per cent April 29, 1865.

* Columbian, 3 per cent in gold, April, 1856. † Eagle, actual sale at auction, Sept. 23. ‡ North America, 25 per cent in stock; no cash dividend April, 1865. § State, par 100, since May; previously, 60. ‖ Third National, for first ten months. Pawners' Bank, surplus over 8 per cent given to charity.

Mechanics', 20 per cent, April, 1865.
Mount Vernon, 10 per cent, regular and extra, April 1, 1865.
Mutual Redemption, 20 per cent, in stock, October, 1864.
New England, 25 per cent, Feb. 6, 1865.
North, 16 2-3 per cent, in stock, Nov. 21, 1864.
North America, 25 per cent, in stock, and no cash dividend April 1, 1865.
Revere, 10 per cent, regular and extra, April 1, 1865.
Second National, one new share to nine old, October, 1864.
Shawmut, 10 per cent, March 6, 1865.
Shoe and Leather, 25 per cent, March 1, 1865.
State, $8 per share, regular and extra, October, 1864. $6 2-3, in stock, May, 1865; and par raised from $60 to $100, giving two new for three old shares.
Suffolk, 128 per cent, Jan. 10, 1865.
Tremont, 33⅓ per cent, in stock, Feb. 1, 1865.
Union, 6 per cent, April 1, 1864, and 10, regular and extra, Oct. 2, 1865.
Webster, 8 per cent, regular and extra, April 1, 1865.

The Bank Statement for this city the last week of the month shows a heavy loss of specie, which is due to the large withdrawals for the payment of customs duties. The several items compare as follows with the returns of the previous weeks of the month:

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs
Jan. 6, 1866..	$233,185,059	$15,778,741	$18,588,428	$195,482,254	$71,617,487	$370,617,523
" 13.....	234,938,193	16,852,568	19,162,917	197,766,999	73,019,957	608,082,837
" 20.....	239,337,726	15,265,827	20,475,707	198,816,948	72,799,892	528,949,311
" 27..	240,407,886	13,106,759	20,965,883	195,012,451	70,319,146	516,323,673

The returns of the Philadelphia Banks have been as follows:

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866.....	$17,181,229	$45,941,001	$890,822	$7,226,369	$35,342,306
" 8.....	17,236,320	46,774,150	983,685	7,319,528	36,618,104
" 15.....	17,267,412	47,350,428	1,007,186	7,357,972	36,947,700
" 22	17,052,559	47,254,622	1,012,980	7,411,337	36,214,653
" 29.....	16,944,277	47,607,558	1,008,825	7,432,535	35,460,881

THE UNITED STATES DEBT.

DEBT BEARING INTEREST IN COIN.

Denominations.	November 30.	Jan. 1, 1866.	Feb. 1, 1866.
6 per cent, due December 31, 1867.....	$9,415,250	$9,415,250	$9,415,250
6 do July 1, 1868.....	8,908,333	8,908,342	8,908,341
5 do January 1, 1874.....	20,000,000	20,000,000	20,000,000
5 do January 1, 1871.....	7,022,000	7,022,000	7,022,000
6 do December 31, 1880.....	18,415,000	18,415,000	18,415,000
6 do June 30, 1881.....	50,000,000	50,000,000	50,000,000
6 do June 30, 1861, exch'ed for 7.30s	139,252,450	139,331,000	139,238,250
6 do May 1, 1867-82 (5.20 years).....	514,780,500	514,780,500	514,780,500
6 do November 1, 1869-84 (5.20 years)	1,000,000,000	100,000,000	100,000 000
6 do November 1, 1870-85 (5.20 years)	50,590,300	50,590,300	50,590,300
5 do March 1, 1874-1904 (10.40s) ...	172,770,100	172,770,100	172,769,100
6 do July 1, '81 (Oregon war).....	1,016,000	1,016,000	1,016,000
6 do June 30, 1881.....	75,000,000	75,000,000	75,000,000
Aggregate of debt bearing coin interest..... .	$1,167,169,942	$1,167,148,292	$1,161,149,742

DEBT BEARING INTEREST IN LAWFUL MONEY.

4 per cent Temporary Loan { 10 days'	$612,228			
5 do do { notice.	21,644,710	97,257,195	$113,755,840
6 do do {	67,266,168		
6 do Certificates (one year)..... .	55,921,000	60,667,000	60,667,000
5 do One and two-years' notes.....	32,536,901	8,536,900	8,536,900
6 do Three years' comp. interest notes...	167,012,141	180,012,141	180,012,141
6 do Thirty-year bonds, (Cent'l Pacific R.)	1,898,000	2,362,000	2,362 000
6 do do (Union Pacific R. E. Div.)	640,000	640,000	992,000
7.30 do Three years' treasury notes, 1st series	300,000,000	300,000,000	300,000,000
7.30 do do do 2d series	300,000,000	300,000,000	300,000,000
7.30 do do do 3d series	230,000,000	230,000,000	230,000,000
Aggregate of debt bearing lawful money int...	$1,177,531,149	$1,179,475,236	$1,197,295,881

DEBT ON WHICH INTEREST HAS CEASED.			
7.30 per cent Three years' notes	$260,500	$246,000	$233,500
do Texas indemnity bonds	726,000	726,000	665,000
Other bonds and notes	200,980	209,880	200,830
Aggregate of debt on which int. has ceased	$1,187,480	$1,163,880	$1,099,330
DEBT BEARING NO INTEREST.			
United States Notes	$398,581,194	$426,231,390	$400,000,000
do do (in redemp. of the temp loan)	28,160,202		23,902,222
Fractional currency	26,108,197	26000,420	26,553,244
Currency	$452,850,264	$452,231,810	$450,455,467
Gold certificates of deposit	7,200,440	7,288,140	8,391,080
Uncalled for pay requisitions	509,281	1,220,006	.....
Aggregate of debt bearing no interest	$460,556,264	$459,519,950	$458,846,547
Amount in Treasury—			
Coin	47,294,379	45,735,551	51,443,162
Currency	44,587,141	44,993,271	56,050,186
Total in Treasury	$91,811,520	$90,729,822	$107,493,348
RECAPITULATION.			
Debt bearing interest in coin	$1,167,169,942	$1,167,148,292	$1,167,149,742
Debt bearing interest in lawful money	1,177,581,149	1,179,475,230	1,197,295,831
Debt on which interest has ceased	1,187,480	1,166,880	1,373,230
Debt bearing no interest (currency)	460,047,063	459,519,950	458,846,547
Uncalled for requisitions	509,281	.....	.....
Aggregate debts of all kinds	$2,806,444,935	$2,807,310,358	$2,824,391,500
Cash in treasury	91,811,520	90,728,822	107,493,348
ANNUAL INTEREST PAYABLE ON DEBT.			
Payable in gold	$68,032,275	$68,030,976	.....
Payable in lawful money	70,864,680	70,186,131	.....
Aggregate amount of int. payable annually—not including int. on the 8 years' comp. int. notes, which is payable only at maturity	$138,896,955	$138,217,107	.....
LEGAL TENDER NOTES IN CIRCULATION.			
One and two years' 5 per cent notes	$32,536,901	$8,536,900	$8,536,900
United States notes (currency)	426,741,396	426,231,390	423,902,223
Three years' 6 per cent compound int. notes	167,012,141	180,012,141	180,012,141
Aggregate legal tender notes in circulation	$636,290,438	$644,780,431	$612,451,264

INSURANCE DIVIDENDS.

THE following average dividends have been paid by New York Fire Insurance Companies for the last five years:

Year ending Dec. 31.	No. of Companies.	Total capital Dec. 31.	Per centage of Dividends.	Amount of Dividends.
1860	96	$20,482,860	12.054	$2,469,090 05
1862	95	20,252,860	10.461	2,121,788 76
1862	96	20,432,860	10.008	2,043,898 01
1863	101	23,632,860	8.567	2,024,742 51
1864	107	28,807,070	8.621	2,483,870 94

The dividends paid in 1864 only about equal the dividends of 1860, although the amount of capital has increased over $8,000,000. The general impression prevailing, that fire insurance stocks ordinarily pay excessive dividends, is thus shown by the above table to be a popular delusion. Whenever heavy dividends are paid, the foundations for such payment must be laid on many years of experience and accumulation guided by superior qualifications and acquirements in the officers, managers, and agents.

TREASURE MOVEMENT AT NEW YORK FOR THE LAST SEVEN YEARS.

Statement of the movement of treasure at New York, showing the amounts received from California, foreign ports, and the interior, and the amounts shipped to foreign ports and the interior monthly and yearly for the seven years ending December 31, 1865; also the amount in banks and the Sub-Treasury at the commencement and close of each month and year—the whole forming a complete history of the movement of treasure at this port for the period stated.

1865.

Months, etc.	Treasure in banks and Sub-Treasury on 1st of month.	Accessions of treasure during month, etc.				Total supply of treas. for month, etc.	Treasure withdrawn from market.			Treas. in banks and Sub-Treasury on last of month.
		Received from California.	Imported from foreign ports.	From inland sources & hoards.	Aggregate accessions.		Exported to foreign ports.	Returned inland and to hoards.	Aggregate withdrawn.	
January	$30,054,450	$2,048,457	$59,268	$1,376,998	$3,472,653	$33,527,103	$3,184,853	$.....	$3,184,853	$30,342,250
February	30,342,250	914,735	106,704	4,181,853	5,203,292	35,545,542	1,022,201	.....	1,022,201	34,522,341
March	34,522,341	1,688,975	243,242	799,350	2,711,567	37,233,908	381,913	.....	381,913	36,851,995
April	36,851,995	2,307,025	286,492	1,372,894	3,916,341	40,768,336	871,249	.....	871,249	39,897,087
May	39,897,087	1,257,651	177,085	8,592,448	10,327,184	50,224,271	7,255,071	.....	7,255,071	42,969,200
June	42,969,200	750,469	249,722	5,339,173	6,269,373	49,238,573	5,199,473	.....	5,199,473	44,099,101
July	44,099,101	1,092,805	253,640	4,710,940	6,057,385	50,156,486	723,986	.....	723,986	49,432,500
August	49,432,500	1,676,177	182,072	2,668,542	4,526,791	53,959,291	1,554,398	.....	1,554,398	52,404,893
September	52,404,893	2,040,446	194,294	.....	2,234,670	54,639,563	2,494,973	5,548,616	8,043,589	46,595,974
October	46,595,974	2,481,066	77,942	.....	2,559,080	49,155,004	2,516,286	2,072,985	4,588,511	44,566,493
November	44,566,493	1,952,675	226,526	5,965,568	8,174,794	52,741,217	2,046,180	.....	2,046,180	50,695,037
December	50,695,037	3,346,268	127,084	2,214,731	5,688,098	56,383,135	2,752,161	.....	2,752,161	53,630,974
Year 1865	30,054,450	21,581,796	2,137,011	37,538,311	61,201,108	91,255,558	30,003,663	7,620,901	37,624,564	53,630,974

1864.

January	$37,992,594	$939,201	$141,790	$6,348,554	$7,429,545	$45,422,079	$5,459,079	$.....	$5,459,079	$39,963,000
February	39,963,000	1,250,069	88,150	4,695,148	6,163,367	46,126,367	3,015,367	.....	3,015,367	43,111,000
March	43,111,000	1,121,338	104,437	4,694,637	5,850,408	48,961,408	1,800,559	.....	1,800,559	47,160,848
April	47,164,848	854,242	295,314	.....	1,149,556	48,300,899	5,882,077	1,392,602	7,275,679	41,025,220
May	41,025,220	963,770	260,099	406,173	2,000,035	43,025,255	6,460,920	.....	6,460,920	36,564,335
June	36,564,335	733,951	146,731	.....	870,682	37,435,017	5,170,551	1,206,906	6,377,457	31,057,550
July	31,057,550	711,645	128,052	3,310,690	4,150,387	35,207,937	3,309,887	.....	3,309,887	31,898,050
August	31,898,050	1,941,155	245,856	822,750	2,309,763	34,207,813	1,001,014	.....	1,001,014	33,206,799
September	33,206,799	1,089,159	58,220	394,834	1,572,213	34,779,012	2,835,398	.....	2,835,398	31,943,614
October	31,943,614	955,378	129,775	3,522,321	4,507,474	36,451,088	2,496,221	.....	2,496,221	33,954,867
November	33,954,867	889,276	161,627	1,229,160	2,273,063	36,227,930	7,267,662	.....	7,267,662	28,960,268
December	28,960,268	2,205,679	114,976	4,876,964	7,197,559	36,157,827	6,103,377	.....	6,103,377	30,054,450
Year 1864	37,992,594	12,907,806	2,265,528	30,291,221	45,464,546	83,457,080	50,808,128	2,599,508	53,402,630	30,054,450

Months, etc.	Treasure in banks and Sub-Treasury on 1st of month.	Accessions of treasure during month, etc.: Received from California.	Imported from foreign ports.	From inland sources & hoards.	Aggregate accessions.	Total supply of treas. for month, etc.	Treasure withdrawn from market: Exported to foreign ports.	Returned inland and to hoards.	Aggregate withdrawn.	Treas. in banks and Sub-Treasury on last of month.
1863.										
January	$40,971,000	$2,337,682	$101,906	$1,609,382	$4,048,970	$45,019,980	$4,624,574	.....	$4,624,574	$40,394,786
February	40,394,786	951,893	213,971	3,455,505	4,621,299	45,016,085	3,965,664	.....	3,965,664	41,050,421
March	41,050,421	1,697,176	123,616	1,052,999	2,873,791	43,924,212	6,585,442	.....	6,585,442	37,338,770
April	37,338,770	724,934	107,061	2,267,383	3,099,378	40,438,148	1,972,334	.....	1,972,334	38,465,814
May	38,465,814	776,129	197,317	2,837,478	3,810,817	42,276,131	2,115,679	.....	2,115,679	40,160,452
June	40,160,452	809,176	109,997	2,929,294	3,848,397	44,008,859	1,367,774	.....	1,367,774	42,641,085
July	42,641,085	726,027	182,945	1,363,751	2,272,023	44,913,108	5,268,881	.....	5,268,881	39,644,227
August	39,644,227	831,113	113,877	888,063	1,833,053	41,477,280	3,465,261	.....	3,465,261	38,022,019
September	38,012,019	750,259	78,231	3,786,333	4,614,823	42,626,843	3,480,385	.....	3,480,385	39,146,457
October	39,146,457	1,092,899	78,053	4,232,998	5,433,950	44,580,407	6,210,156	.....	6,210,156	38,370,251
November	38,370,251	713,021	103,144	3,099,137	3,915,302	42,285,553	5,438,363	.....	5,438,363	36,847,190
December	36,847,190	857,688	118,961	5,427,748	6,404,397	43,251,587	5,259,053	.....	5,259,053	37,992,534
Year 1863	40,971,000	12,207,320	1,528,279	33,040,001	47,775,600	87,746,590	49,754,056	.....	49,754,056	37,992,534
1862.										
January	$29,080,000	$2,199,588	$163,658	$931,794	$3,294,985	$32,314,985	$2,658,274	.....	$2,658,274	$29,656,711
February	29,656,711	2,250,795	62,007	3,142,406	5,455,208	35,111,919	3,776,919	.....	3,776,919	31,335,000
March	31,335,000	1,846,752	88,337	3,554,154	5,489,263	36,824,263	2,471,263	.....	2,471,263	34,353,000
April	34,353,000	1,834,117	26,158	3,553,406	5,413,675	39,766,675	4,037,675	.....	4,037,675	35,729,000
May	35,729,000	1,939,771	110,388	5,781,477	7,831,636	43,560,636	5,164,636	.....	5,164,636	38,396,000
June	38,396,000	1,911,090	61,028	6,302,492	8,334,614	46,730,614	9,867,614	.....	9,867,614	36,863,000
July	36,863,000	1,961,468	219,001	6,781,868	8,962,337	45,825,337	8,07 7,337	.....	8,067,337	37,758,000
August	37,758,000	2,070,196	92,703	1,619,631	3,782,532	41,540,532	3,713,532	.....	3,713,532	37,827,000
September	37,827,000	2,641,918	121,318	3,876,683	6,639,919	44,466,919	3,085,919	.....	3,085,919	41,381,000
October	41,381,000	2,337,298	256,676	3,533,545	6,126,519	47,507,519	6,707,519	.....	6,707,519	40,800,000
November	40,800,000	2,651,211	109,708	1,805,332	4,566,251	45,366,251	6,213,251	.....	6,213,251	39,153,000
December	39,153,000	1,435,627	78,316	3,976,169	5,490,112	44,643,112	3,673,112	.....	3,673,112	40,971,000
Year 1862	29,080,000	25,079,787	1,390,277	48,907,957	71,378,021	100,408,021	59,437,021	.....	59,437,021	40,971,000
1861.										
January	$30,100,000	$4,185,105	$7,369,229	.....	$11,447,334	$41,547,334	$58,894	$1,483,440	$1,542,334	$40,000,000
February	40,000,000	3,622,893	2,274,067	.....	5,896,960	45,89 ,960	1,102,926	94,034	1,196,960	44,700,000
March	44,700,000	2,370,897	5,546,406	.....	7,917,303	52,617,303	301,803	15,501	317,303	52,300,000
April	52,300,000	2,951,253	1,953,001	.....	4,904,254	57,204,254	1,412,674	3,391,580	4,804,254	52,400,000
May	52,400,000	1,977,827	3,486,812	.....	5,464,639	57,864,639	126,900	135,739	264,639	57,600,000
June	57,600,000	2,012,063	5,387,153	.....	7,399,215	64,999,215	244,242	9,054,978	9,299,215	55,700,000
July	55,700,000	2,055,868	6,996,498	.....	9,451,866	65,151,866	11,020	3,940,646	3,251,866	61,900,000
August	61,900,000	4,245,755	1,049,552	.....	5,295,307	67,195,307	3,600	8,891,707	8,895,307	58,300,000
September	58,300,000	2,815,343	1,231,012	.....	4,046,355	62,346,355	15,756	8,530,499	8,546,355	53,800,000
October	53,800,000	2,960,515	629,398	.....	3,590,143	57,390,143	15,038	6,205,105	6,220,143	51,900,000

November	51,100,000	2,564,343	908,825	.....	3,493,167	54,593,167	48,825	744,782	793,167	53,800,000
December	53,800,000	2,684,389	358,530	.....	3,042,919	56,842,919	893,013	26,919,906	27,812,919	29,030,000
Year 1861	30,100,000	34,485,949	37,088,413	.....	71,574,362	101,674,362	4,236,250	68,408,112	72,644,362	29,030,000
1860.										
January	$26,590,000	$3,643,844	$298,050	$.....	$3,871,894	$30,461,894	$853,562	$308,332	$1,161,894	$29,300,000
February	29,300,000	3,252,708	195,175	.....	3,447,883	32,747,883	977,009	370,874	1,347,883	31,400,000
March	31,400,000	2,404,550	85,094	492,019	2,981,663	33,981,663	2,381,663	.....	2,381,663	31,000,000
April	31,000,000	2,601,548	49,186	.....	2,650,734	33,650,734	2,965,500	155,234	3,120,734	30,530,000
May	30,530,000	2,762,094	96,060	2,571,782	5,429,936	35,959,936	5,559,936	.....	5,559,936	30,400,000
June	30,400,000	2,927,232	88,272	2,976,576	5,942,080	36,342,080	8,842,080	.....	8,842,080	27,500,000
July	27,500,000	2,218,174	64,351	3,731,460	6,063,985	33,563,985	6,563,985	.....	6,563,985	27,000,000
August	27,000,000	2,790,693	140,750	23,172	2,954,615	29,954,615	7,454,615	.....	7,454,615	22,500,000
September	22,500,000	2,928,881	255,695	2,474,158	5,658,734	28,158,734	3,758,734	.....	3,758,734	24,400,000
October	24,400,000	2,678,866	1,033,838	843,691	4,606,395	29,006,395	2,106,395	.....	2,106,395	26,900,000
November	26,900,000	3,240,630	446,708	.....	3,687,428	30,587,428	525,091	9,062,337	9,587,428	21,000,000
December	21,000,000	4,130,851	6,174,041	.....	10,304,892	31,304,892	302,401	1,002,491	1,304,892	30,100,000
Year 1860	26,590,000	34,580,271	8,852,330	12,102,858	56,595,459	83,185,459	42,191,171	10,894,286	53,085,459	30,100,000
1859.										
January	$32,233,000	$2,597,013	$71,308	$.....	$2,658,321	$34,891,321	$2,905,688	$365,633	$3,271,321	$32,320,000
February	33,320,000	2,607,890	99,200	2,211,337	4,911,427	37,231,427	2,371,427	.....	2,371,427	34,860,000
March	34,860,000	1,966,414	81,666	55,597	2,103,677	36,963,677	3,343,677	.....	3,343,677	33,620,000
April	33,620,000	3,127,563	272,441	2,639,164	6,039,167	39,659,167	6,259,167	.....	6,259,167	33,400,000
May	33,400,000	3,418,784	122,436	7,349,812	10,891,032	44,291,032	11,421,032	.....	11,421,032	32,870,000
June	32,870,000	3,555,215	485,892	.....	4,041,107	36,911,107	7,496,961	504,126	8,001,107	28,910,000
July	28,910,000	3,881,861	175,139	5,314,019	9,371,019	38,281,019	10,051,019	.....	10,051,019	28,230,000
August	28,230,000	3,986,606	348,419	.....	4,335,025	32,565,025	6,409,788	355,349	6,765,025	25,800,000
September	25,800,000	4,088,369	184,553	4,534,759	8,797,681	34,597,681	8,267,681	.....	8,267,681	26,330,000
October	26,330,000	3,805,894	630,646	.....	4,436,540	30,766,540	5,344,159	1,112,831	6,456,540	24,310,000
November	24,310,000	3,289,449	167,067	2,736,597	6,193,123	30,503,123	4,383,123	.....	4,383,123	26,120,000
December	26,120,000	3,277,663	184,634	.....	3,462,297	29,582,297	2,092,129	980,168	2,992,297	26,590,000
Year 1859	32,233,000	39,592,730	2,816,421	24,831,275	67,240,416	99,473,416	69,715,866	3,167,550	72,883,416	26,590,000
Recapitulation.										
1865	$30,054,450	$21,531,736	($2,137,011	$37,539,311	$61,301,108	$91,355,558	$30,008,683	$7,630,901	$37,694,584	$53,630,974
1864	37,992,534	12,907,603	2,265,523	30,291,291	45,464,546	83,457,080	50,803,123	2,599,508	53,402,630	30,054,450
1863	40,971,000	12,907,320	1,523,979	33,040,001	46,775,600	87,746 590	49,754,056	.....	49,754,056	37,992,534
1862	29,030,000	25,079,787	1,390,277	42,907,957	71,378,021	100,408,021	59,437,021	.....	59,437,021	40,971,000
1861	30,100,000	34,485,949	37,088,413	.....	71,574,362	101,674,362	4,236,250	68,408,112	72,644,362	29,030,000
1860	26,590,000	34,580,271	8,852,330	12,102,858	56,595,459	83,185,457	42,191,171	10,894,286	53,085,459	30,100,000
1859	32,233,000	39,592,730	2,816,421	24,831,275	67,240 416	99,473,416	69,715,866	3,167,550	72,883,416	26,590,000
Six years, 1860-65	$176,233,000	180,385,696	56,078,958	182,765,693	419,289,519	452,462,502	306,141,169	93,690,357	396,831,596	53,630,974

MANUFACTURES IN UNITED STATES DURING YEAR ENDING JUNE 1, 1860.

AGGREGATE STATISTICS OF MANUFACTURES.

We take from the *Tribune* the following valuable table of the aggregate manufactures produced in the United States during the year ending June 1, 1860. It was prepared by Edward Young, of Philadelphia, who had charge of the statistics of manufactures in the United States Census Office, until it was turned over to the Land Office:

States and Territories.	No. of establishments.	Capital invested.	Cost of raw material.	Average No. of hands employed. Males.	Females.	Annual cost of labor.	Annual Value of Product. In 1860.	In 1850.	Per cent increase.	Value of annual product to capita
Maine	8,610	$22,044,020	$21,553,066	21,637	9,792	$8,368,681	$38,193,254	$24,661,057	54.4	$60 78
New Hampshire	2,592	21,274,094	20,539,857	18,379	13,961	8,110,561	37,586,453	23,164,506	62.2	115 27
Vermont	1,883	9,498,617	7,008,658	8,563	1,084	3,004,986	14,637,807	8,570,920	70.8	46 45
Massachusetts	8,176	132,792,287	125,053,721	146,368	71,153	55,900,918	255,545,922	157,743,994	62.	207 58
Rhode Island	1,191	24,278,295	19,858,515	20,795	11,695	8,760,125	40,711,296	23,117,686	84.	268 14
Connecticut	3,019	45,590,420	40,909,090	44,008	20,467	19,086,196	81,994,555	47,114,585	73.8	178 04
Total in New England States	20,671	257,477,733	245,583,107	262,894	129,009	104,231,473	466,599,287	268,372,747	65.86	149 46
New York	22,694	172,895,652	214,818,061	177,665	58,227	65,446,759	379,170,969	237,597,949	59.45	97 61
New Jersey	4,173	40,521,048	41,429,100	42,198	12,889	16,277,337	76,206,104	39,851,256	91.4	113 54
Pennsylvania	22,368	190,055,904	153,477,606	168,598	39,589	60,269,165	290,121,188	155,044,910	87.1	99 89
Delaware	615	5,452,897	6,022,918	5,465	956	1,905,754	9,892,902	4,649,296	117.78	89 59
Maryland	3,063	23,230,606	25,494,007	21,630	6,773	7,190,672	41,735,157	26,043,893	26.8	60 74
District of Columbia	429	2,905,365	2,884,185	2,653	495	1,139,154	5,412,102	2,690,358	101.	73 06
Total in Middle States	53,297	435,061,964	444,125,989	423,494	118,619	152,228,841	803,633,393	473,876,661	69.67	96 31
Ohio	11,123	57,295,308	69,800,270	65,749	9,953	23,502,989	121,691,143	63,602,279	94.1	53 01
Indiana	5,336	18,451,121	27,142,597	20,563	739	6,318,385	42,808,469	18,725,423	128.5	31 69
Michigan	3,443	23,808,296	17,695,611	23,144	1,046	6,735,047	33,658,356	11,169,003	192.4	48 59
Illinois	4,268	27,548,563	35,558,739	23,489	479	7,637,921	57,580,996	16,534,273	248.3	33 63
Wisconsin	3,064	15,331,561	17,137,334	14,541	773	4,268,706	27,849,467	9,393,068	199.9	25 89
Minnesota	562	2,388,310	1,904,070	2,104	19	712,214	3,573,173	58,500	58.85	19 69
Iowa	1,959	7,247,130	8,612,359	6,143	185	1,922,417	13,971,235	3,551,733	293.3	20 70
Missouri	3,157	20,034,220	28,849,941	18,638	1,053	6,669,916	41,782,731	24,024,418	71.3	35 35
Kentucky	3,450	20,256,579	22,295,759	19,587	1,671	6,020,089	37,931,240	21,710,212	74.7	32 82
Kansas	344	1,084,:35	1,444,975	1,700	35	880,346	4,357,408	.....	....	30 79
Nebraska Territory	107	266,575	287,215	334	2	105,333	607,236	.....	....	21 01
Total in Western States	36,735	194,212,543	235,618,813	194,061	15,928	63,573,307	394,606,520	168,056,757	126.8	37 58

Virginia	5,575	$6,986,560	$9,840,661	$2,606	5,588	5,544,117	$9,652,194	$4,012,507	71.1	33 62
North Carolina	3,689	9,693,708	10,2 3,228	12,104	2,113	2,639,441	16,978,696	9,111,050	88.	16 80
South Carolina	1,220	6,931,7 6	5,198,881	6,096	898	1,380,097	8,615,195	7,045,477	22.	12 24
Georgia	1,900	10,890,275	9,995,539	9,492	2,068	2,925,148	16,925,564	7,082,075	139.	16 09
Florida	185	1,874,125	874,506	2,227	157	619,840	2,447,969	668,338	266.	17 43
Alabama	1,459	9,008,161	5,489,963	6,792	1,097	2,132,940	10,568,566	4,528,876	133.8	10 98
Louisiana	1,744	7,151,173	6,738,456	7,873	916	2,688,679	15,567,473	6,779,417	130.	22 01
Texas	988	3,272,450	3,207,373	3,339	111	1,103,756	6,577,202	1,168,586	462.	10 88
Mississippi	976	4,88 ,493	3,146,639	4,572	208	1,618,330	6,590 697	2,912,066	126.	8 55
Arkansas	518	1,316,610	1,290,508	1,831	46	554,240	2,380,578	537,908	495.	6 61
Tennessee	2,572	14,494,261	9,416,514	11,589	945	3,370,697	17,987,220	8,725,606	84.9	16 20
Total in Southern States	20,631	$95,974,589	86,542,152	93,583	12,188	28,681,199	155,531,261	79,161,859	96.47	17 08
California	3,468	22,043,096	27,051,674	49,169	87	28,402,257	68,253,228	12,862,528	450.	179 90
Oregon	309	1,337,239	1,431,953	909	10	635,:56	2,976 761	2,236,640	33.	56 73
Utah Territory	148	443,356	439,512	330	9	231,701	900,153	291,280	204.9	22 35
Washington Territory	52	1,206,300	502,021	366	4	453,601	1,406,921			121 35
New Mexico Territory	82	2,008,350	367,802	1,044	30	341,306	1,949,125	949,010	409.	18 35
Total in Pacific States & Ter'les	4,059	$27,128,940	29,793,051	52,427	110	30,064,151	74,786,186	15,339,392	378.	129 42
Aggregate in United States in 1860	140,429	1,009,858,719	1,031,605,022	1,041,349	270,897	370,778,966	1,895,861,676	$1,019,106,616	85.5	$59 97
Aggregate in United States in 1850	128,085	533,945,381	555,139,333	731,137	236,922	236,755,494	1,019,106,616			
Increase	17,402	$476,610,364	476,481,270	310,212	44,975	$142,423,502	$866,755,060			
Increase per cent		89.5	85.9				85.9			

Omitting the Southern or non-Manufacturing States the annual value of Manufactures per capita is $77 49.

FEDERAL, STATE, AND MUNICIPAL FINANCES.

THE BANKS OF NEW YORK.—ANNUAL REPORT OF THE SUPERINTENDENT OF THE BANKING DEPARTMENT.

Mr. Keyes, Acting Superintendent of the Banking Department of this State has submitted his report to the Legislature, from which we extract the following:

BANK DEPARTMENT,
ALBANY, December 23, 1865.

To the honorable the Legislature of the State of New York:

The passage of the act of March 9, 1865, commonly known as the enabling act, precipitated what, under existing conditions, could not long be delayed, the fourth, and, to appearance, the concluding era in the history of State banking in New York.

Since its passage one hundred and seventy-three banks have closed business as State institutions, and been received into the national fold, and though some of these had already taken steps in that direction, the passage of the act greatly facilitated their transfer. Besides these twenty banks had received authority, and were doing business under the national system prior to the passage of the act, and of these, ten had effected the change prior to October 1, 1864. The last fiscal year, therefore, has witnessed the practical extinction of one hundred and eighty-three State banks, with all their wealth and influence, to the national guardianship.

* * * * * * * *

Some time must necessarily elapse before we shall see the end of what is now the beginning, as under the operation of our present law it requires six years to close the circulation account of any bank, even after, by the return of seventy-five per cent of its circulation, it is authorized to withdraw its bonded securities, and make a deposit of cash for the redemption of the remainder of its notes. It is evident, therefore, that the final closing of the affairs of over three hundred banks, is a labor that cannot be speedily accomplished.

To facilitate this, however, I would suggest an amendment of section 1, chapter 286 of the laws of 1859, which requires the return of seventy-five per cent of the circulation outstanding at the time of giving notice of closing, before a cash deposit can be made for the redemption of the balance and the statute of limitations be set in operation. The time at which the amount of outstanding circulation is computed is purely arbitrary, and operates greatly to the disadvantage of banks that may have retired a large part of their circulation before giving the notice required. A further proviso, that the cash deposit might be made whenever the outstanding circulation should be reduced to $10,000, would facilitate the closing of a number of banks, and be in no respect prejudicial to public interests. Or the result might be reached by causing the circulation, of which seventy-five per cent must be returned, to be estimated at the time of greatest issue, as ascertained from the quarterly statements made by the bank.

The sweeping character of the silent revolution which has been progressing in our financial system, will be more fully disclosed by an examination of the general statement, pp. 3 and 4 of the appendix, and of tables 7 and 11.

For more convenient reference, I condense from them the following brief summary:

The capital invested in banking, under our State laws, on the 24th day of September, 1864, was	$107,306,948
On the 30th day of September, 1865	20,426,970
Decrease during the fiscal year	$86,879,978
The greatest decrease in any previous year, during the last ten years	1,951,199
The circulation returned and destroyed during the year ending September 30th, 1865, was	16,736,179

which exceeds by about $2,000,000 the amount returned during the panic year of 1857, and by about $9,009,000 the average yearly amount for the last ten years.

The circulation issued and outstanding on the 30th September, 1864, was.....	$40,118,635
The circulation issued and outstanding on the 30th September, 1865, was	27,009,449
Decrease during the fiscal year.....	$13,109,186
Securities, including cash, held under general laws to redeem circulation, Sept. 30, 1864.....	$37,303,524 05
Securities held under general laws to redeem circulation, Sept. 30, 1865.....	25,469,157 44
Decrease during the fiscal year.....	$11,834,366 61

The decrease of the different classes of securities has been as follows:

Of United States stocks.....	$8,528,600 00
New York state stocks.....	2,225,706 00
Illinois state stocks.....	233,400 00
Bonds and mortgages.....	936,876 00
	$11,924,582 00
Increase of cash deposits to redeem circulation.....	9,215 39
Total decrease as stated above.....	$11,834,366 61

INCORPORATED BANKS.

On the 1st of January, 1866, will expire the limited charters of the remaining incorporated banks in this State. Four of these have already commenced doing business under the auspices of the national system.

The bank of the Manhattan Company and the bank of the New York Dry Dock Company, with unlimited charters, still survive the decay of the system that gave them birth, and of the systems that have sprung into being since.

THE BANK FUND.

Contributions to this fund will cease after January 1, 1866, and the charges upon it will be liquidated, so far as presented, on the first day of February following. There will then remain an estimated balance of about $86,000, for the application of which there is no legal provision.

I quote from the last report of Hon. H. H. Van Dyck his remarks upon this subject as conveying the information necessary for your intelligent action:

"The fund thus accumulated was designed to secure the redemption of the notes of insolvent safety fund banks. But the over-issue of several insolvent institutions, and the failure of others, exhausted the contributions on hand, and mortgaged those of the future to such an extent that the fund ceased to be regarded as a means of redemption; and, consequently, the outstanding issues of the Lewis County Bank, Yates County Bank, and Bank of Orleans, have been left in the hands of the community, save so far as they have been absorbed by the receivers appointed to administer upon the effects of the defunct institutions. According to the latest returns, there would seem to be still outstanding, or in the hands of the receivers, $168,043 of the notes of the aforesaid banks. As a considerable period has elapsed since their failure, very little of this circulation is still in first hands, and much of it has probably been destroyed in view of its regarded worthlessness. Whether the fund on hand shall be applied to the redemption of notes, and if so, in what order, or what disposition is to be made of it eventually, should be indicated either by legislative or judicial action. An adjustment of the question in some authoritative form seems in every way desirable."

I most earnestly renew the concluding suggestion, that some appropriate disposition of the balance of the fund be authorized.

* * * * * * * * *

TAXATION OF NATIONAL BANKS.

The object manifestly is, to make and to mark a distinction between the capital owned by the corporation and the remoter, though still very near interest of the shareholder in the business in which that capital is employed. This interest, represented by shares, is, by act of Congress, declared to be property. This is what the shareholder owns; it is subject to his control; he can dispose of it at will; in short, it is his property. The shareholder has no ownership whatever in the capital that is invested in the business of the corporation, more than a citizen of this State has in the Erie Canal. He has an interest in the proper management and control of that capital as the citizen has in the management of the canal. But he has no property in that capital, he cannot touch a dollar of it in whatever form expressed. Upon dissolution of the corporation he cannot claim a dividend in kind—he can get, after the demands of creditors are satisfied, only the proportion of assets represented by his shares, in lawful money. The stocks were not his; the real estate was not his; the notes or other forms of indebtedness were not his; the shares were his, and for them he will

now receive in exchange, lawful money, such as in the inception of the enterprise he gave for them. The individual owning shares is thus clearly distinguished from the corporation owning capital.

Under our system banking (as well as other) corporations are taxed upon their capital, and the shares in the hands of owners are not taxed. To have conformed to the provisions of the act of Congress, our State law should have been so amended as to direct the taxation of the shares in State banks in the hands of shareholders. But this was not done, and those shares remain to-day—what they have ever been—free from taxation. Having provided for taxing the shares in national associations, how shall we say that this is not at a higher rate than is imposed upon the shares in State banks, when no tax whatever is imposed upon the latter? Taxing the capital stock of State banks at the same rate with the shares in National banks will not relieve us, for the corporation that owns the capital stock may lawfully claim exemption upon so much as is invested in government stocks, while upon the shares in national associations there is no exemption.

I cannot regard the distinction between taxing the capital of banks and taxing the shares of stock in banks as one in form only. Our whole argument for taxing the shares in national banks rests upon the substantial character of this distinction. But if the distinction were of form only we should remember that where the sole authority for a proceeding is a provision of statute, and this provision prescribes the form of the proceeding, the matter of form becomes of essential importance.

I am aware that the highest judicial authority of our state has disregarded the incompatibility between our state law and the law of Congress upon this question. But I am far from sanguine that the United States court, by whom the question must be finally adjudicated, will view the question so complacently. In any event, it is so easy to remove this question from the arena of discussion, in courts or elsewhere, that I earnestly urge upon the legislature to amend the laws of this State relating to the taxation of banks organized under its authority, in such manner that the same shall be strictly and unquestionably conformable to the requirements of the act of Congress in the particular above mentioned. * * *

EMERSON W. KEYES,
Deputy and Acting Superintendent.

OHIO STATE DEBT.

The funded debt of Ohio shows a decrease of $1,985,258 89 during the four years ending November 15, 1865. The amounts in 1861 and 1865 compare as follows:

FOREIGN DEBT.		
Loan of 1856, (interest ceased)	$1,166 32	$ .....
Loan of 1860, 6 per cent	6,196,323 27	592,268 59
Loan of 1865, 5 per cent	1,025,000 00	1,009,500 00
Loan of 1870, 6 per cent	2,189,530 98	2,183,531 98
Loan of 1875, 6 per cent	1,600,000 00	1,600,000 00
Loan of 1881, 6 per cent	.....	4,086,309 47
Loan of 1886, 6 per cent	2,400,000 00	2,400,000 00
Loan of 1868, 6 per cent	379,866 00	379,866 00
Total foreign debt	$13,787,889 53	$12,230,475 96
DOMESTIC DEBT.		
Stock of 1843, (interest ceased)	$1,765 00	$ 1,765 00
National Road Bonds, (interest ceased)	60 26	60 26
Loan of 1853, 6 per cent	275,335 00	.....
Loan of 1845, 6 per cent	250 000 00	.....
Loan of (Union) of 1866, 5 per cent (int'st ceased)	200,304 28	500 00
Loan of (Union) of 1868, 6 per cent	291,969 13	276,313 13
Loan of (Union) of 1871, 6 per cent	.....	460,000 00
Total domestic debt	$1,109,386 81	$861,538 49
Aggregate foreign and domestic debt	$14,897,276 34	$13,092,014 45

These figures present a highly satisfactory condition of affairs. Not only has the State furnished the means for its own defense during the late four years war, and sustained its credit by the prompt payment of interest on its indebtedness,

but it has actually redeemed nearly $2,000,000 of the principal of the public debt' and the balance to credit of the sinking fund at the end of thelast fiscal year was $328,611 11, a sum nearly sufficient to pay all the interest that may accrue during the current year, without the aid of the actual income of the fund.

DEBT OF THE STATE OF ILLINOIS.

The Public Debt of the State of Illinois, on the 30th of December, 1865, was $9,982,961 49, against $11,121,564 45 on the corresponding date in 1864 —a decrease within a year of $1,138,602 96.

The following is a detailed statement of the debt due on the 30th December, 1865 :

Ill. and Mich. canal bonds, dated 1837 and 1839, due after 1860, unregistered	$258,000 00
Ill. and Mich. canal bonds, dated 1837 and 1839, due after 1860, registered	525,000 00
Ill. and Mich. canal bonds, dated 1841 and 1839, due after 1870, unregistered	46,000 00
Ill. and Mich. canal bonds, dated 1841 and 1839, due after 1870, registered	60,000 00
Ill. and Mich. canal bonds, dated 1847 and 1839, due after 1860, unregistered	191,000 00
Ill. and Mich. canal bonds, dated 1847 and 1839, due after 1860, registered	254,400 00
Ill. and Mich. canal bonds, £225 each, due after 1870, interest payable in New York registered	35,000 00
Ill. and Mich. canal bonds, £225 each, due after 1870, interest payable in New York, registered	25,200 00
Ill. and Mich. canal bonds, £225 each, due after 1870, interest payable in London, unregistered	699,000 00
Ill. and Mich. canal bonds, £225 each, due after 1870, interest payable in London, registered	310,800 00
Ill. and Mich. canal bonds, £300 each, due after 1870, interest payable in London, unregistered	60,000 00
Ill. and Mich. canal bonds, £300 each, due after 1870, interest payable in London, registered	439,200 00
Ill. and Mich. canal bonds, £100 each, due after 1870, interest payable in London, unregistered	12,888 89
Ill. and Mich canal bonds, £100 each, due after 1870, interest payable in London, registered	108,799 99
Ill. and Mich. canal bonds refunded under act of 16 Fed., 1865, due after 1880	22,000 00
Thornton loan bonds, due after 1879	176,000 00
Bank and Internal Improvement Bonds due after 1869	31,000 00
Internal Improvement Stock due after 1870	42,000 00
Liquidation Bonds due after 1865	198,872 00
New Internal Improvement Stock due after 1870	1,817,724 69
New Internal Improvement Interest Bonds due after 1877	1,136 676 97
Interest Stock of 1857. due after 1880	689.198 95
Refunded Stock dated July 1, 1859, due after 1860	1,000 00
Refunded Stock dated July 1. 1859, due after 1869	436,000 00
Refunded Stock dated July 1, 1859, due after 1865	31.000 00
Refunded Stock dated July 1, 1859. due after 1869	107.000 00
Refunded Stock dated July 1, 1859, due after 1870	405,000 00
Refunded Stock dated July 1, 18 9, due after 1876	97,000 00
Refunded Stock dated July 1, 1859, due after 1877	545.000 00
Refunded Stock dated July, issued to Normal University after 1879	65,000 00
Illinois War Bonds dated July 1, 1861, due after 1879, $1.000 each	621,000 00
Illinois War Bonds dated July 1, 1861, due after 1879. $500 each	317,000 00
Illinois War Bonds dated July 1, 1861, due after 1879, $100 each	219,700 00
Total	9,982,961 49
Same time in 1864	11,121.564 45
Same time in 1863	12,222,388 22

MICHIGAN STATE DEBT.

The State Treasurer in his report to the Legislature makes the following exhibit of the State's indebtedness :

	Interest.	Due	Amount.
Renewal Loan Bonds	6	Jan 1, 1873	$216,000 00
Two million Loan Bonds	7	do 1868	250,000 00
do do	6	do 1873	500,000 00
do do	6	do 1876	500,000 00
do do	6	do 1883	750,000 00
St. Marie Canal Bonds	6	do 1878	100,000 00
War Loan Bonds	7	do 1886	1,122,000 00
War Bounty Loan Bonds	7	May 1, 1890	345,000 00
Total funded debt			$3,783,000 00

Adjusted bonds, past due	$4,000 00	
Full paid $5,000,000 loan bonds, past due	12,000 00	
War loan bonds ($100 and $50) called in	400 00	
Unrecognized $5,000,000 loan bonds, $140,000 adjustable for	80,999 80	97,399 80
Total funded and fundable debt		$3,880,399 80

TRUST FUND DEBT.

Primary school fund	$1,144,239 50	
University fund	264,571 47	
Normal school fund	39,204 26	
Railroad deposits	2,157 22	1,450,472 53
Total liabilities of State		$5,330,872 33

PUBLIC DEBT OF MASSACHUSETTS.

The following, taken from a special circular issued by Dupee, Beck & Sayles, of Boston, gives a complete exhibit of the public debt and railroad loans of the State of Massachusetts, as it existed on the 30th of November, 1865:

Date of Acts.	Principal payable.	Interest—Rate.	Interest—Payable.	Amount outstand'g
1856	1866	6	June & Dec.	$100,000
1857	1868	6	April & Oct.	150,000
1861	1868	5	June & Dec.	15,000
1861	1868	6	"	75,000
1861	1870	5	Jan. & July.	150,000
1859	1870	5	June & Dec.	21,000
1861	1870	6	"	89,000
1861-2-4	1871	6	Jan. & July.	205,000
1859	1872	5	April & Oct.	100,000
1861	1872	5	June & Dec.	17,000
1861	1872	6	"	83,000
1861-2-4	1872	6	Jan. & July.	341,000
1858	1873	5	April & Oct.	125,000
1861-2-4	1873	6	Jan. & July.	204,000
1854	1874	5	April & Oct.	150,000
1854	1874	5	Jan. & July.	94,000
1861-2-4	1874	6	"	300,000
1861-2-4	1875	6	"	420,000
1861-2-4	1876	6	"	1,420,000
1857	1877	6	June & Dec.	50,000
1861-2-4	1877	6	Jan. & July.	400,000
1861-2-4	1878	6	"	200,000
1860-62	1880	5	May & Nov.	220,000
1863-64	1883	6	Jan. & July.	1,088,000
1863-4-5	1894	5	May & Nov.	6,429,000
Total (principal and interest payable in gold)				$12,556,000

	Payable.	Rate.	Amount.	
Deposit Loan, Acts 1863, Resolves 1865	30 d. notice.	6	2,594,736	
Temporary loan from banks, Acts 1863	var.	6	274,400	
Temporary loan, Resolves 1865	6 to 12 mos.	7 3-10	2,880,758	
Total (principal and interest payable at maturity in legal tenders)				5,749,894
Debt past due			1,000	
Requisitions			2,296,250	
				2,297,250
Total of all debt, except railroad loans				20,603,144
Less sinking funds, Back Bay lands, railroad stock and cash, applicable to the redemption of the public debt				12,888,003
Net debt				$7,715,141

LOANS TO RAILROAD CORPORATIONS.

Date of Acts.	Principal payable.	Interest—Rate.	Interest—Payable.	Amount outstand'g
Western R.R. Sterling Coupon Bonds, Acts 1838-39-41	1868	5	April & Oct.	£472,500
do do do	1869	5	"	90,000
do do do	1870	5	"	180,000
do do do	1871	5	"	157,500
				£899,000

Troy & Greenfield R.R. Sterling Coupon Bonds, Acts 1854-59-60	1888	5	April & Oct.	£32,500
do do do	1889	5	"	29,300
do do do	1890	5	"	62,700
				£114,500
Troy and Greenfield Coupon Bonds, Acts 1854-59-60	1890	5	April & Oct.	$200,000
do do do	1891	5	"	216,500
do do do	1893	5	"	209,000
do do do	1894	5	"	541,000
				$1,166,500
Eastern R. R. Coupon Bonds, Acts 1857	1866	5	Jan. & July.	75,000
do do do	1867	5	"	75,000
do do do	1868	5	"	75,000
do do do	1869	5	"	75,000
do do do	1870	5	"	75,000
do do do	1871	5	"	50,000
				$425,000
Norwich and Worcester R. R., Acts 1854-57	1877	6	Jan. & July.	500,000

FINANCES OF ST. PAUL, MINN.

The indebtedness of the city on the 1st October, 1865, was as follows, viz.:

Seven per cent bonds	$326,226 65
Twelve per cent bonds	30,000 00
Bills papable at 10 and 12c per annum	47,000 00
Making a total of	$403,227 65

This amount with the outstanding scrip and orders, perhaps about 7,000, which with about $10,000 the city will require to borrow to pay interest in New York and expenses, up to January 1st, 1866, will make the entire indebtedness of the city at that date, $420,227 65.

The assessed valuation of the city on the 1st October, 1865, was follows:

Real estate		$2,950,000
Personal property		1,435,000
National bank stock		900,000
Total		$5,285,000
The city levy of 18 mills on the above amount including National bank stock stock, will yield about		$78,930
Less discount aad collection		7,000
Add revenue from wharfage $12,000; licenses $12,143; bridges $7,000; city justices' courts $4,500; and market and pound 2,000		37,643
Total estimated revenue for 1865-66		$149,573
The city expenses will be—mayor and alderman $3,300; police force $7,800; city attorney, clerk and treasurer, each $1,000, $3,000; city comptroller, jailor, pound master and market master, each $600, $2,400; city justices $450	$18,450	
Streets $1,500; fire department $1,000; prison $1,000; incidental $8,000; printing, &c., $1,500	27,500	
Interest and exchange on 7 per cent bonds	23,977	
" " on 12 per cent bonds and bills payable	9,240	$79,167
Balance to credit		$30,406
If the assessment of the National bank stock be sustained by the courts, there will be an additional amount of		16,200
Total balance to credit		$46,606

—which may be applied to cancel the bills payable. The city indebtedness will then stand as follows:

Total indebtedness, Jan. 1, 1866	$420,227 65
Surplus revenue above expenses	30,405 77
	$389,821 88
National bank tax, if sustained	16,200 00
	$373,621 88

With a prospect of an early completion of the railroads converging on the city and the advance of real estate, the city's credit can be easily sustained, and the amount of borrowed money paid off next year.

THE CITY DEBT OF TORONTO.

The amount of the debenture debt in December 31, 1864, of Toronto, Canada, was $2,383,584 99. The purposes for which this debt was contracted were:

Purposes for which the debt was contracted.	Original amount of debt aforesaid purposes.	Amount redeemed to Dec. 31, 1864.	Amount outstanding on the 1st Jan., 1865.
Esplanade contract	$767,896 65	$77,370 98	$699,516 67
Railway stock	600,000 00	170,293 34	429,706 66
Gaol buildings	159,900 00	170,293 34	159,900 00
School buildings	54,950 00	30,589 00	24,370 00
Opening streets	87,820 00	30,589 00	87,820 00
Local improvements	33,572 00	30,589 00	33,572 00
New drill shed	4,000 00	30,589 00	4,080 00
Erection of city public buildings	111,000 00	30,589 00	111,000 00
Construction of sewers and macadamizing streets and other general improvements	1,107,436 28	264,916 62	482,519 66
	$2,929,751 93	$543,169 94	$2,383,534 99

JOURNAL OF INSURANCE.

INSURANCE LEGISLATION.

It is not remarkable that the measures adopted by the several State Legislatures for protecting insurance companies organized within their own States, should give rise to an attempt to secure from Congress a general insurance law, superseding all State legislation, and placing insurance upon an equal footing in all parts of the United States.

The insurance interest in each State has sought to shield itself from the competition of companies in other States by procuring enactments imposing disabilities upon outside corporations. Such restrictions have materially retarded the progress of the insurance interest, and have so far been injurious to the public welfare. The aim of such measures is to establish a monopoly. The public good requires that the people shall have freedom to insure with whatever companies offer the most advantageous terms of insurance. If the companies in a given State are unable to hold their own against the exercise of such freedom, it can only be because they do not possess the proper requisites for transacting an insurance business efficiently. Laws checking the competition of companies from

other States, are, therefore, simply a premium upon inefficiency, and tend directly to encourage and consolidate bad management.

The supposition that any State can have interests antagonistic with those of other States is unsound in principle. It is to the interest of the citizens of every State to have the cheapest and safest insurance that can be found; and the true protection that should be afforded by a legislature, is to see to it that insurance companies from all parts of the country have unrestricted freedom to insure within the limits of the State. That is the protection of the people; restrictive insurance laws are the protection of a class of capitalists, as against the people. Such legislation is unworthy the spirit of a great and free country. It is precisely the same in principle with the petty prohibitions by which the commerce of European nations has been dwarfed, and international jealousies, pregnant with hostilities, have been generated. If it be desirable to protect the insurance companies of a State against those of neighboring States, it is equally so to impose restrictions upon the manufactures and the labor of other States; and thus the principle, carried out to its legitimate bearings, would lead to a system of prohibitions which would compel the people to buy everything in the dearest market and to deprive them of every advantage enjoyed by other States.

This restrictive legislation overlooks the very important fact that that there are certain States which possess peculiar facilities for the employment of capital in insurance. In the East, for instance, there is always a larger amount of surplus capital than in the West; the result of which is that the rate of interest is lower, and insurance can therefore be afforded at lower rates. At the point where surplus money centers, there also we may expect to find the best financial talent; so that insurance associations in such places are likely, as a rule, to be better managed than elsewhere. The following statement showing the number, assets, and risks of insurance companies at the chief points, taken from the census of 1860, will illustrate how far this tendency regulates the distribution of insurance capital:

	Number of companies.	Capital and assets.	At risk.
New York	135	$53,287,547	$916,474,956
Massachusetts	117	6,353,190	450,896,253
Connecticut	12	5,354,686	279,322,184
Rhode Island	6	2,419,688	32,187,104
Philadelphia	10	6,510,601	139,229,374
New Orleans	9	6,738,031	221,100,000
Charleston	2	.....	47,291,000
Augusta, Ga	1	953,858	7,000,000
Jersey City	1	179,718	5,231,061
Peoria, Ill	1	363,995	6,806,377
Total			$2,105,538,319

Thus it appears that, in 1860, New York, Massachusetts, and Connecticut covered more than three-quarters the insurance risks of the country. This is not a mere accident; it arises from the fact, evidenced in the above figures, that the companies of those States afford a broader basis of security. In New York, the capital and assets are over 5¼ per cent of the amount at risk; in Massachusetts nearly 1¼ per cent; in Connecticut about 2 per cent; in Philadelphia 4¼ per cent; and in New Orleans 3 per cent. With this great advantage as to secu-

rity, in behalf of eastern companies, it is not surprising that they should command preference. What State can legislate for the exclusion of the insurance agencies of these States; without driving its citizens to insure where there is less security for covering their risks? And, on the other hand, what conceivable motive can the legislators of the Eastern States have for resorting to petty exclusive legislation upon this question?

But while it is a grave economic error to repress the free operation of insurance by State legislation, it would be a still worse policy to seek relief from these vexatious obstructions by placing the whole insurance interest of the United States under Congressional regulation—a course which is at present being actively agitated by a portion of the insurance associations. This movement is a fresh illustration of the prevailing mania for surrendering individual control into the hands of the general government. Fortunately for the liberties of the people, the Constitution confers upon Congress no authority to assume control over such affairs; and even were it otherwise, the chances are that the uniformity of regulations under which the insurance interest of the country would be placed would prove simply an uniformity of embarrassments. If insurance must be fettered let the bonds be imposed by the weaker power, and not by the powerful central government; and, as a remedy for the evils we have discussed, let every State repeal every restriction it has imposed upon the operations of insurance companies organized in other States.

INSURANCE AGAINST ACCIDENTS.

One of the most popular systems of indemnity ever put into execution and use, and one which has grown universal in a very short space of time, is the insurance against the accidents to which human beings are liable. Nothing can be more beneficial to the regular traveler, to the tourist in search of health, pleasure, or the wonders of our country, to any one, in fact, who moves to any extent from place to place. None can tell how soon a misplaced switch, an open drawbridge, or the decayed timbers of a bridge may derange a train's operations, and cause loss of limb, and even of life to the passengers thereon.

We read daily, and have for years read of these accidents, but until quite recently there has been no security as far as indemnity for such accidents is concerned, in the shape of a policy of insurance. Hitherto, a railroad company was the only responsible party, and then only so far as carelessness or mismanagement upon its part went. Occasionally by bringing the matter in a court of justice, after long and expensive lawsuit, parties were finally recompenced for their losses.

When this occurred it had to be plainly shown that the railroad company was the party which had committed the mismanagement. Those persons who were so unfortunate as to fall off a platform while standing thereon in direct violation of the company's orders and notices to that effect, had to suffer themselves, and nothing securing to their friends an annuity was dreamed of. A man who who happened to lose an arm while leaning from the open window of a railroad car, the same way.

Now, however, it is quite different. Companies are springing up all around for insuring against such accidents as we have spoken of. Parties now who travel take as naturally to an accident policy as a horse to cats. Railroad companies, even themselves, have gone so far as to allow an insurance company to assume the risks to assume the risks to whicg they were formerly liable.

It has, indeed, become a legitimate system of insurance, and is no more, where it has been introduced, looked upon either as a novelty or an experiment.

We look upon Accidental Insurance as a necessity, and Accidental Insurance Companies (sound ones) as a blessing, and the development of the progressive spirit of the age in which we live.

MINES AND MINING STATISTICS.

LAKE SUPERIOR MINING.

The copper of Lake Superior is native, *i. e.*, it is the pure metal and not an ore—mixed but not alloyed with other substances. There are but two or three ore mines in the Upper Peninsula, and none of them are as yet of comparative importance. The copper is found in different strata of rock, both on the surface and at various depths in the earth. It is deposited in immense masses, in small nuggets, and in grains diffused throughout the rock. The geological laws governing these deposits are complex, and far from being fully ascertained. The belts of rock, in which the mineral is found, are called lodes or veins, these terms being generally used indiscriminately, although there is some slight technical distinction in their meaning. The surface indications of the existence of copper are not very marked and furnish no reliable evidence as to the richness or extent of the underlying deposits. When its copper-bearing rocks are parallel with the adjacent strata, they are said to run with the formation, but when they strike them at an angle they are said to run across the formation, and are called fissure veins.

A high and precipitous bluff, if the indications justify it, is selected for the location of a mine, as greatly facilitating the operations on the surface, and affording important advantages for ascertaining the extent and value of the mineral deposits. A gang of men commence at the top of the bluff, mining downward, digging a pit generally seven by twelve feet in dimensions. This is called a "shaft," and the work of excavation is termed "sinking." A shaft is either perpendicular, or else "sunk upon the vein," that is, in the strata of copper-bearing rock when that has been reached, before taking its "dip" or slant. Every mine possesses at least two shafts, and usually more. At a certain depth from the surface, generally about 10 fathoms, a tunnel, seven by five feet in dimensions, is started horizontally, running along the vein and connecting with the other shafts. This is called a "level," and the work of excavation in this case is termed "driving." The shafts are some hundreds of feet apart, and when thus connected, a strong current of air blows through the mine, giving it thorough ventilation. The work continues still deeper. The shafts are sunk 10 fathoms more, and connected by another level, and so on *ad libitum*, and in the mining vernacular these successive galleries are spoken of as the "ten-fathom

level, twenty-fathom level, thirty-fathom level, etc." From the foot of the bluff, also, work is generally commenced, and an opening is "driven" horizontally into the rock, connecting with one of the first levels. This is styled an "adit," used for purposes of drainage and ventilation, and often as a means of entrance and egress. The shafts, levels and adits constitute the mere skeleton of a mine, and this preliminary work, which requires months of labor and immense outlay, is called "opening the mine," and not until it is completed can the production of mineral in any considerable quantities be attempted. The shafts are provided with a series of narrow ladders, each from 30 to 40 feet in length, which are securely partitioned off and firmly fastened, and by which the miners ascend and descend. The shafts are also provided with massive hoisting apparatus, a large bucket being used in case the descent is perpendicular, but a tramway and a car known as a "skip," if it is inclined. Tramways are all placed in the levels to transport the rock to the shafts, and provided with small cars. A large pump is carried to the lowest depth of the mine and kept continually in motion, and in occasional cases artificial ventilation is furnished in remote portions by means of air tubes, connected with a fanning machine on the surface.

When the mine has been thus opened and the necessary machinery provided, parties of miners commence to "stope," that is, to remove by blasting the rock which either surrounds or contains the mineral. "Stoping" is therefore the main business of the mine, to the wants of which all the other operations are subservient. "Stoping" parties, with one of the levels or shafts as their base, take out all the "vein matter," as the copper-bearing rock is termed, leaving here and there natural pillars to sustain the ponderous roof, whose weight no timbers, however massive, could support. The copper is often found in enormous masses, and then it is handled with great difficulty. It cannot be drilled, and it is too tenacious to be blasted. The rock is therefore removed from its surface as much as possible, and holes are drilled below it. Immense sand blasts, consisting of many kegs of powder, are placed underneath, and by several of these it is torn from its stony fastenings. In the Minnesota Mine, a mass of copper was found which weighed 450 tons, and in one of the sand blasts, which were placed under it, 33 kegs of powder were used. At the same mine, a mass of copper of about five tons, found some 18 feet beneath the surface, was thrown by one of these large blasts through the over-laying earth high in the air, and fell many feet off in a deep ravine. When these masses are too heavy for handling, or too large for transportation through the narrow levels, they are cut up with cold chisels, a tedious but the only efficacious process. The copper is also obtained in small pieces of a few pounds, and this is called "barrel work." Mass and barrel copper are generally freed from all the rock possible with the pick and hammer, and thus shipped for smelting. The third variety of the mineral is found in small grains scattered through the rock, and this is crushed in the stamp mills, freed from the rock by washing, and shipped under the name of "stamp work." Considerable native silver is found mixed with the copper, but most of this is abstracted by the miners, and never reaches the company. The Cliff Mine, however, obtained $1,800 worth of silver from their stamp work last year. Openings, similar to the shaft, are frequently made for various purposes from one level to another, or from a level to the surface; these

are called "winzes." Often, also, a species of "level" is started at right angles with the general openings of the mines, i. e. running across instead of with the formation of the copper-bearing rocks; this is termed "cross-cutting," and is generally used for "prospecting," or determining the character and value of the adjacent strata.

This account would not be complete without some brief allusion to the enormous amount of surface improvement, which is as necessary to the successful prosecution of mining operations as the underground labor. The ground has to be cleared, and houses erected for the accommodation of the officers and employees of the company. Miles of road are made to connect the mine with the nearest port, both to secure supplies and also a market for the copper. Ponderous and expensive machinery must be imported, and stamp-mills machine-shops, forges, kilns, sheds, barns and offices constructed. A large dam must be built to secure a constant supply of water to wash the stamp rock. An enormous quantity of fuel must be supplied. Few people realize the tremendous consumption of wood resulted from this cause. The demands of a large mine will clear more than 200 acres of woodland in a twelvemonth. Of course many teams and laborers are required in this department of the business alone. Stores, capable of filling the wants of the new settlement, must also be started and maintained, and all the chief mines possess their own school house and church. All this must be created from nothing, and in the midst of a barren wilderness. It is only when these things are seen, that the beholder commences to realize the enormous capital required for mining operations. The prevalent ideas on the subject are ridiculously absurd, and only those who have personal knowledge can form just conceptions concerning the matter. Every mine necessitates a village upon the surface, as well as vast underground avenues, and when it is stated that there are nearly one hundred mines on the Lake, the mind begins to comprehend the immensity of the copper interest of this section.

WEALTH OF VIRGINIA.

The State geologist, Dr. Grant, has recently returned from a tour of this State, and is more than ever impressed with the vastness and variety of the material resources of Virginia. He appears to be surprised into an unusual degree of admiration at the wonders he has witnessed. Although Virginians have long heard vague accounts of the vast wealth in mines and minerals concealed in the bowels of the earth, and are prepared to expect gratifying disclosures, they will scarcely be prepared for the wonderful results exhibited in Dr. Grant's recent explorations. Virginia energy has been chiefly directed to agriculture. Few of our citizens have sought to explore the hidden wealth and wonders of her soil. But little has been known in regard to these, and that little has been revealed more by accident or casual and superficial examination than by continued and well-directed scientific exploration. Dr. Grant's professional ardor and personal energy are in keeping with his high attainments. The State will be much indebted to him for making her vast resources known to herself and to the world.

Dr. Grant travelled about twenty-five hundred miles over the State, visiting

nearly every county, and carefully examining and exploring each. He says that Virginia possesses every metal and mineral that all the other States possess, and any specific one in as great abundance and of equal quality with an other single State.

Of the metals examined by him may be enumerated gold, silver, iron, lead, tin, zinc, platinum, molybdenum, tellurium, cobal, nickel, bismuth, antimony, arsenic, plumbago, etc.

Of the minerals, coal, marble, kaolin (porcelain clay), potter's clay, fire clay, fuller's earth, hydraulic cement, asbestos, soapstone, slate, red and yellow ochre, mineral paints, manganese, gypsum, salt, marl, white sand, numerous mineral springs, etc.

Dr. GRANT has visited over one hundred gold mines, forty silver mines, twenty-five consecutive mines of copper, lead and zinc, three tin mines, one platinum, two of molydenum, one of tellurium, one of cobalt, one of nickel, one of bismuth, one of antimony, four of arsenic, and twenty of plumbago.

There are about two hundred square miles of coal lands in the Shenandoah Valley, one hundred square miles in Chesterfield County, twenty square miles in the Farmville fields, and two hundred and fifty square miles in Botetourt, Montgomery, and other counties of Southwestern Virginia.

Of the valuable ores he says: The gold ores of Virginia are more brittle, more easily crushed, and by analysis equally valuable with those of Colorado, and cover fully as great an area.

Silver is found both in simple ore, in argentiferous galena, and with native copper.

There are lead mines in Southwestern Virginia as rich as any in America. They supplied the whole South during the war, and show no signs of exhaustion. The ores are compact blue sulphuret, and are frequently found in solid veins six feet wide.

The coppers are carbonate and sulphuret. Masses of native copper have been found in this State of great size. The mines extend through at least eight counties.

The iron ores are red and brown hematite, ferruginous ochre, specular, magnetic, spathic, black band, sulphuret.

The coals found are adapted to the furnace.

COMMERCIAL AND INDUSTRIAL STATISTICS.

CROPS, LIVE STOCK AND FARMS—ANNUAL REPORT OF THE COMMISSIONER OF AGRICULTURE.

The annual report of the Commissioner of Agriculture shows that, with the exception of wheat, the yield of the crops during the past year has been very large. The following tables exhibit the result:

AMOUNT OF CROPS.

	1863.	1864.	Increase.	Decrease.
Indian corn	397,839,212	580,451,403	182,612,191	.....
Wheat	173,677,928	160,695,823	.....	12,982,165
Rye	19,989,335	10,872,975	.....	116,360
Oats	170,129,864	175,990,194	5,860,330	.....
Barley	12,158,195	10,716,328	.....	1,442,567
Buckwheat	15,786,122	18,700,540	2,914,418	.....
Potatoes	98,965,198	96,532,029	.....	2,433,169
Total	888,546,554	1,012,959,292	141,386,939	16,974,201
Tobacco	168,353,082	197,460,229	84,107,147	.....
Hay	18,316,730	18,116,691	.....	230,039

AVERAGE OF CROPS.

Indian corn	15,312,441	17,438,752	2,126,311	.....
Wheat	13,098,986	13,158,089	9,153	.....
Rye	1,439,607	1,410,983	.....	28,624
Oats	6,686,174	6,481,750	.....	224,424
Barley	557,299	540,317	.....	16,982
Buckwheat	1,054,060	1,051,700	.....	2,360
Potatoes	1,129,804	902,295	.....	227,509
Tobacco	216,423	239,826	23,403	.....
Hay	15,641,504	15,034,564	.....	606,940
Total	55,136,248	56,238,276	2,203,867	1,106,839

VALUE OF CROPS.

Indian corn	$278,089,609	$527,718,183	$249,628,574
Wheat	197,992,837	294,315,119	96,322,282
Rye	20,589,015	31,975,013	11,385,998
Oats	105,990,905	139,381,247	33,390,342
Barley	13,496,373	16,941,023	3,444,650
Buckwheat	12,660,469	21,986,763	9,326,294
Potatoes	55,024,650	77,184,043	22,159,393
Tobacco	24,239,609	29,335,225	5,095,616
Hay	247,680,855	365,707,074	118,026,219
Total	$955,764,322	$1,504,543,690	$548,779,368

The above tables do not show the exact comparative differences between the years 1863 and 1864, because the latter year embraces the crops of Kentucky, which are not in the year of 1863 Deducting from 1864, the comparison will be as follows:

TABLE OF COMPARISON BETWEEN 1863 AND 1864.

	1863.	1864.	Increase.	Decrease.
Bushels	888,546,554	959,821,150	71,274,596	.....
Tobacco, lbs	168,353,082	140,503,760	.....	22,849,322
Hay, tons	18,346,730	18,004,366	.....	342,361
Average	55,136,248	53,950,797	.....	1,185,451
Value of crops	$955,764,322	$1,440,415,435	$484,655,113	.....

The table of comparison between 1863 and 1864 exhibits much that is important. The increase in the bushels of grain is large and the decrease in the pounds of tobacco raised is also great. The decrease in acres cultivated is 1,185,451, but the increase in the value of the above crops is $484,651,113.

The first increase is from the corn crop, and the last may be attributed to an increase in the currency, or a spirit of speculation.

GENERAL SUMMARY OF THE AMOUNT OF THE CROPS OF 1865, COMPARED WITH THOSE OF 1864 AND 1863.

	1865.	1864.	1863.
Wheat, bushels	148,552,829	160,695,823	179,464,036
Rye, bushels	19,543,905	19,872,975	20,732,782
Barley, bushels	11,391,286	10,632,178	11,368,155
Oats, bushels	225,252,395	176,690,064	173,800,575
Corn, bushels	704,427,853	530,581,403	451,967,969
Buckwheat, bushels	18,331,019	18,700,540	15,806,455
Potatoes, bushels	101,032,095	99,256,888	100,158,670
Total bushels	1,228,501,282	1,013,429,871	953,288,632
Hay, tons	23,536,740	18,116,751	19,736,847
Tobacco, lbs	183,316,953	197,468,229	267,267,920

In the Western States the Wheat crop is very deficient in quality. It has been estimated by the department that the deficiency in both quantity and quality is 26,241,698 bushels; in quantity alone, 12,172,944 bushels. The quality of the corn crop is excellent, and that of the remaining crops is believed to be an average. The number of bushels in 1865 exceeds those of 1864 by 215,710,411.

LIVE STOCK.

The following table shows the total number of live stock for January, 1864 and 1865, the increase and decrease thereof, the general average price of each kind, the value of each kind, and the total value of all:

Animals.	1864.	1865.	Incr.	Decr.
Horses	4,049,142	3,740,933	.....	308,209
Mules	280,847	247,553	.....	33,294
Cattle and oxen	7,965,439	7,072,591	.....	892,848
Cows	6,066,748	5,768,130	.....	298,618
Sheep	24,346,391	28,647,269	4,300,878	.....
Hogs	16,148,712	13,070,887	.....	3,077,825
Total	58,857,279	58,547,363	4,300,878	4,610,794

NUMBER, AVERAGE PRICE, AND TOTAL VALUE IN JANUARY, 1865.

Animals.	Number.	Av. price.	Total value.
Horses	3,740,933	$80 84	$302,425,499
Mules	247,553	102 08	25,041,488
Cattle and oxen	7,072,591	26 17	185,090,087
Cows	5,768,180	36 70	211,718,270
Sheep	28,647,269	5 40	154,807,466
Hogs	13,070,887	8 55	111,796,318
Total value			$990,879,128

THE SOUTH.

The Commissioner gives the following account of the farms in the Southern States:

The average size of farms in the United States, in 1860, was 199 acres; almost double the average for Great Britain, which, in 1851, was 102 acres only, notwithstanding the great size of many baronial and aristocratic "holdings"—there being no less than 170,814 farms in the kingdom, or considerably more than one-half of the entire number, having less than 50 acres each. But the average in the Southern States is far greater than the general average for the United States, as the following table will show.

	Improved lands.	Unimproved lands.	Number of farms.	Av. No. in each.
Delaware, ... acres	637,065	367,230	6,658	151
Maryland.....	3,002,267	1,083,804	25,494	190
Virginia	11,437,821	19,679,215	92,605	324
North Carolina	6,517,284	17,245,685	75,203	316
South Carolina	4,572,060	11,628,859	33,171	488
Georgia	8,062,758	18,587,732	62,003	430
Florida	654,213	2,266,015	6,568	444
Alabama	6,385,724	12,718,821	55,128	346
Mississippi.	5,065,755	10,773,929	42,840	370
Louisiana.	2,707,108	6,591,468	17,328	536
Texas.	2,650,781	22,693,247	42,891	591
Arkansas.	1,983,313	7,590,893	89,004	245
Tennessee	6,795,337	13,873,828	82,368	251
Kentucky	7,644,268	11,519,053	90,814	211
Missouri	6,246,871	13,737,939	92,792	215
Total.	74,362,565	171,101,718	764,867	320

The large proportion—almost three-fourths—of unimproved land in farms, in addition to the unimproved public lands, illustrates pointedly the necessity that vastly more labor be applied to their cultivation. The most populous states in the Union have the smallest farms, commanding the highest price per acre; and the value per acre is, as a general fact, inversely proportionate to the size of the farms. Thus the farms of Massachusetts average ninety-four acres; of Rhode Island, ninety-six; of Connecticut, ninety-nine; of New York, one hundred and six; of Pennsylvania, one hundred and nine, and of Ohio, one hundred and fourteen."

SEEDS.

In the distribution of seeds, 234,945 packages have been delivered to senators and representatives in Congress, 119,892 to agricultural and horticultural societies, and 408,583 to regular and occasional correspondents, and in answer to personal applications—making total of all varieties of seeds of 763,231 packages.

The distributions from the experimental and propagating garden during the past year have been mainly confined to varieties of small fruits, such as grapes, strawberries, gooseberries, raspberries and currants. Of these about thirty-five thousand plants have been distributed through the usual channels.

PHOTOGRAPHIC DISCOVERIES.

We take the following account of the results of experiment in photographs from a contemporary, assured that they will interest as well as instruct our readers.

NEGATIVES WITHOUT A NITRATE BATH.

The oft-repeated attempt to dispense with a nitrate of silver bath in producing negatives has received attention during the year, and renewed experiments have been made with some degree of success. Our own attempts made years ago were chiefly directed to getting rid of the nitrate baths in the wet process. We have made some experiments in the same direction during the past year. Herr Paul Liesgang has done the same, and Messrs. Sayce and Bolton have successively experimented in producing dry plates by similar means. In their experiments they use a colodion containing five grains of pyroxytine, five grains of bromide of cadmium, two one-half grains of bromide of ammodium, and nitrate of silver eleven to twelve grains, by which bromide of silver in a finely suspended state, which is formed in the colodion plates coated with this, immersed in water until there is no appearance of greaseness, and then immersed five or ten minutes

in a fifteen grain solution of tannin, to which we added three grains each of grape sugar and gallic acid, and dried. This gives good negatives after very short exposure on the application of an alkaline developer.

COMBINATION OF THE SALTS OF SILVER AND LEAD IN PRINTING.

M. Grune has produced some positives with the double oxide of silver and lead. His process rests upon Wohler's discovery that if we precipitate a mixed solution of a salt of lead and a salt of silver by potassa, a yellow precipitate is formed, which is a true alloy of the oxide of the two metals. This alloy, consisting of sixty-six parts of oxide of lead and thirty-four parts of the oxide of silver, is sensitive to the action of light. It is said that the paper to which it is applied is printed as rapidly as paper coated with chloride of silver, yields the most delicate half tones, and the fixing and toning are effected in the ordinary manner. Ordinary paper is placed on a bath composed of

Nitrate of lead	2½ parts.
Nitrate of silver	1 "
Water	20 "

When dried the paper is floated a second time upon a bath composed of one part of potassa dissolved in thirty parts of water. The paper now becomes yellow brown, it is dried and then exposed. Under the luminous action the lights become brownish, but they return to a pure white under the action of the hyposulphate of soda. The process tones in the gold bath exactly like those upon albuminzed paper.

NEW METHOD OF PHOTOGRAPHIC PRINTING.

Mr. Thomas Fox has patented a process of pringing without nitrate of silver, which he states produces pictures of an intense black, equal if not blacker than any known process, and which will not fade from ordinary exposure. Sensitize the paper with a solution of bichromate of potass and sulphate of copper, mixed in the proportions of one part of the former to two of the latter, and either float or steep the paper for a few minutes, then dry in the dark by a fire, (this paper will retain sensitiveness for some days if carefully preserved from the light) then print from a glass transparency or a paper print. The time of exposure is much the same as in printing with nitrate of silver; in sunshine from one to three minutes is amply sufficient for glass. Prepare a strong decoction of logwood, and filter such a quantity as will float the print, add a little hot water to hasten the development, float the sensitized picture from half a minute to a minute, print side down, and then holding it by one corner gradually raise it from the logwood—a perfect delineated copy is the result. Next dip it into hot or cold water and varnish. This gives a very distinct picture, with the shades of a deep black, and the lights of a rather greyish yellow tint. In order to obtain a white ground, I use a weak solution of alum, put in hot water.

RECOVERY OF SILVER FROM WASTE SOLUTIONS.

It is stated that out of every one hundred ounces of silver used by a photographer, that ninety-three ounces may be recovered, which would be and is to a great extent in this country lost. It is but lately that they even saved the clip-

pings of the prints and would not have done so then, but they found that there were men traveling around, who were wishing to buy them. A plate of copper left in the solution of nitrate of silver which constitutes the washings precipitates the whole of the silver in the state of metallic sponge in four and twenty hours. A plate of zinc acts in the same manner.

A plate of copper left in the solution of hyposulphate soda, which constitutes the fixing bath precipitates the silver in the form of a coherent powder often even in a continuous plate but with less rapidity. Two days' contact are necessary at least, and four days are better, but at the end of this time the action may be considered as terminated, prolonging it will be neither injurious or advantageous, if the precipitate be longer in presence of hyposulphate of soda. It is not moreover so complete. The quantity of silver lost by discarding the hyposolution as is mostly done, is about 37 per cent.

We perceive from every point of view that there is an advantage in treating separately the washing waters before toning and the fixing solution. To this end the photographer must have either within or without the operating room, two earthen vessels of such dimensions that one may contain the washing water of two days, the other the fixing solutions and their first washing of four or six days. In each of these pots a number of plates of copper placed on two large plates placed opposite to each other answer the purpose very well. No suspension or particular precaution is necessary. The sheets of copper may simply rest against the sides of the vessel. In the course of his working the photographer will throw the washings into the first pot and allow them to remain twenty-four or forty eight hours as required. Into the second pot he will throw the fixing bath and their first washings, taking care to leave them for at least a couple of days to settle.

THE MONSTER BELLS OF THE WORLD.

In making large bells, loudness rather than pitch is the object, as the sound can be conveyed to a much further extent. This accounts for the enormous weight of some of the largest bells. St. Paul's for instance weighs 13.000 pounds; the bell of Antwerp, 16,000 pounds; Oxford, 17 000 pounds; the bell at Rome, 19,000 pounds; Mechlin, 20,000 pounds; Bruges, 23 000; York, 24,000 pounds; Cologne, 25,000 pounds; Montreal, 29,000 pounds, Erfurt, 30,000 pounds; "Big Ben," at the House of Parliament 31,000 pounds; Sens, 34,000 pounds; Vienna, 40,000 pounds; Novgorod, 69.000 pounds; Pekin, 139,000 pounds; Moscow, 141,000 pounds. But, as yet, the greatest bell ever known is another famous Moscow bell, which was never hung. It was cast by the order of the Empress Anne, in 1653. It lies broken on the ground, and is estimated to weigh 443,772 pounds. It is nineteen feet high and measures around the margin, sixty-four feet. No wonder that it has never been suspended.

There are few bells of interest in the United States. The heaviest is probably the alarm bell on the City Hall in New York, weighing about 23.000 pounds.

As the Russians make their pilgrimage to the great Moscow bell, and regard

it with superstitious veneration, so the American citizen honors and venerates the old Independence bell at Philadelphia, for he is not only reminded of the glory of the Revolution, but he believes, now more than ever, since the injunction has been obeyed, its inscription—"Proclaim liberty throughout the land, unto all the inhabitants thereof."

SALARATUS BY THE ACRE.

Fitz-Hugh Ludlow, in his overland trip to California, found between Utah and the Humboldt mountains a large desert composed, as he says, of "sand of snowy alkali" He describes it as one of the most dismal and forbidding spots that was ever traversed by the foot of man; but, in view of the extension through it of the Atlantic and Pacific railroad, he suggests an interesting possibility as to its future use. He says: "In its crudest state the alkaline earth of the desert is sufficiently pure to make violent effervescence with acids. No elaborate process is required to turn it into commercial soda and potash. Coal has already been found in Utah. Silex exists abundantly in all the desert uplifts. Why should not the greatest glass-works in the world be reared along the desert section of the Pacific road? and why should not the entire market of the Pacific coast be supplied with refined alkalies from the same tract?

WORSTED GOODS.

The manufacture of worsted goods, consisting of all wool and cotton warp, mouseline delaine, bareges, cashmeres, etc., for ladies' dresses, is mainly carried on in three establishments, in the United States. These are the Manchester Print works in New Hampshire, the Pacific Mills at Lawrence, and the Hamilton Woolen Company's Works at Southbridge, Massachusetts. The product of the aforesaid establishments in 1864 was 22,750,000 yards, the annual value of the products $3.710 375, annual cost of labor $543,684, female hands employed 1,277, male hands employed 101, sets of cards 110, cost of all raw material used. $2.442.775, pounds of cotton used, 1,653,000, pounds of wool, 3,000,000, capital invested, $3,230.000.

MANUFACTURES OF LOWELL.

Lowell's 33 cotton mills employ 948 males and 1,650 females, and last year produced $7,125,753 worth of fabrics; two calico and muslin delaine mills employed 188 males and 11 females, and turned out $3,167,122 worth of fabrics; 15 woolen mills employed 699 females and turned out $2,620,214 worth of fabrics; 5 carpet mills employed 382 males, 573 females, and turned out $3,570,453 worth of carpeting.

STATISTICS OF POPULATION.

POPULATION, ETC., OF MEXICO IN 1865.

THE following table and remarks upon the same are from a late number of the *Mexican Times.*

Departments.	sq. miles.	Population.	Capitals.
Yucatan	30,659	268,547	Merida.
Campeche	18,594	126,368	Campeche.
La Lagnna	10,531	47,000	El Carmen.
Tobasco	11,906	99,940	St Juan Bautista.
Chiapas	11,696	157,318	San Cristobal.
Tehuantepec	12,494	85,275	Suchil.
Oajaca	11,493	235,845	Oajaca.
Ejutlan	7,231	93,675	Ejutlan.
Teposcolula	8,450	160,720	Teposcolula.
Vera Cruz	18,243	265,159	Vera Cruz.
Tuxpan	8,831	97,940	Tuxpan.
Puebla	7,131	467,788	Puebla.
Tlaxcala	4,437	389,571	Tlaxcala.
Valle de Mexico	2,562	481,796	Mexico.
Tulancingo	6,437	266,678	Tulancingo.
Tula	6,856	178,174	Tula.
Toluca	6,844	311,853	Toluca.
Iturbide	5,306	157,619	Tasco.
Queretoro	5,915	273,515	Queretaro.
Guerrero	30,425	424,836	Chilpancingo.
Acapulco	12,408	97,949	Acapulco.
Michoacan	20,937	417,378	Morelia.
Tancitaro	7,462	179,100	Tancitaro.
Coalcoman	4,200	96,450	Coalcoman.
Colima	7,049	136,733	Colima.
Jalisco	7,826	219,987	Guadalajara.
Autlan	3,722	82,674	Autlan.
Nayarit	10,737	78,6 5	Acaponita.
Guanajuato	9,075	601,859	Guanajuato.
Aguascalientes	11,050	433,151	Aguascalientes.
Zacatecas	11,156	192,823	Zacatecas.
Fresnillo	14,868	82,860	Fresnillo.
Potosi	14,187	308,116	San Luis.
Matehuala	13,116	88,427	Matehuala.
Tamaulipas	12,506	71,480	Ciudad Victoria.
Matamoras	13,719	49,034	Matamoras.
Nuevo Leon	14,868	182,645	Monterey.
Coahuila	24,975	63,178	Saltillo.
Mapimi	28,300	6,777	S. F. de Rosas.
Mazatlan	13,125	94,887	Mazatlan.
Sinalos	28,100	82,186	Sinalos.
Durango	21,213	103,603	Durango.
Nazas	18,306	46,495	Indee.
Alamos	16,605	41,041	Alamos.
Sonora	26,212	60,129	Ures.
Arizona	30,325	25,603	Altar.
Huijuquilla	27,923	16,092	Jimenez.
Batopilas	18,515	71,481	Hidal.o.
Chihuahua	33,381	65,824	Chihuahua.
California	52,731	12,420	La Paz.
Total	712,850	8,218,080	

The above statement is correct—it is official. The empire is divided into fifty departments, with an area of 712.850 square miles, and a population of 8,218,080 souls. It is more than three times as large as France, four times as large as Spain, and about thirty times the size of Holland and Belgium. It is in extent and internal resources a first class empire.

No country on earth has as many natural advantages. Mexico is self sustaining in every way. She raises her own breadstuffs of every kind; her beef and pork; her coffee, sugar and chocolate; her indigo, cochineal and vanilla, her wool, thread and cordage, and is now producing a large quantity of her cotton. She produces wines, aguardienta, mezcal and pulque in the greatest abundance. In the northern departments, bordering on the Rio Grande, there is a fine grazing region. Here are immense herds of horses, mules, cattle and sheep. The middle portion of the empire is more devoted to agriculture—to corn, wheat rye, barley, and oats. Here the Irish potato grows well. The Pacific and Atlantic coasts are well adapted to sugar, coffee, tobacco and rice, and all the tropical plants and fruits. In the extreme South, in Yucatan, Campeche, Tehuantepec, Tabasco and La Laguna, is the country for dye woods, mahogany and the very best cacao. Here also grows in very great perfection the cocoanut and the chirimoya and every other inter-tropical fruit. The lovers of natural-history will find here in their native forests the noblest specimens of animated nature.

Oajaca produces cochineal and indigo in large quantities, while the high lands of Jalapa have monopolized for years the production of the celebrated "purgative drug."

The most valuable silver mines are situated in Tulancingo, Zacatecas, San Luis Potosi, Guanajuato, Jalisco, Guerrero, Sonora, Sinaloa and Chihuahua. The copper mines of Chihuahua are said to be the richest in the world, and the pearls of Lower California have ever been in great demand. The silver mines of Real del Monte and Pachuda, in Tulancingo, are but a short distance from this city. They are the most valuable in the country, and are now yielding their owners large dividends. The mines of Guerrero are not only rich in silver and gold, but the streams abound in precious stones.

The mint of Mexico has coined from 1800 to 1860, in silver, $405,924,496; in gold, $26,175,544. How much of these precious metals was coined before 1800, and how much was taken out of the country by Spanish viceroys, by refugee presidents and generals, and by that system of smuggling carried on so successfully for so many years, will never be made known.

This is a vast empire of mountains and valleys. The valleys are exceedingly rich and productive, while the mountains are filled with hidden treasures. Two-thirds of all the silver in circulation in the wide world has been taken from Mexico. If she is but true to herself—if her citizens will rise above the small bickerings of party, and rally around our republican Emperor and support him in his onward march of progress and improvement, this empire will soon be one of the richest and happiest portions of "God's green earth." Mexico is richer to-day than she ever was. New mines are daily discovered and worked with improved machinery. There are in her mountains ten thousand times more silver and gold than have been taken out. All she wants is energy—energy—energy.

CENSUS OF IOWA.

The census recently taken shows the total white population, as far as returns have been made, to be 749,904, divided and classified as follows: Males 379,027; females, 370.877; entitled to vote, 146,279; militia, 97,624; foreigners not naturalized, 10,594; between the ages of five and twenty-one years, 293,204; blind, 259; deaf and dumb, 271; insane, 612; colored males, 1,801; colored females, 1,798; total colored, 3,599. There are five counties in the northwestern part of the State from which no report is yet received, which, at the last census, contained 170 inhabitants. Adding these to the total given above, we have 750,074. This is an increase in the last two years, in the white population, of 47,912; entitled to vote, 11,229; militia, 6,586; between the ages of five and twenty-one years, 26,787; colored, 2,279.

MERCANTILE MISCELLANIES.

THE NATIONAL TREASURY.

The following abstract of a letter from Washington describes the modus operandi at the National Treasury:

Everybody is familiar with the peculiar signature of General Spinner, the United States Treasurer, on the notes constituting the National currency. I propose in this article to give your readers a little insight into the business of that department of the Treasury, over which he presides. The business of the Treasurer of the United States is transacted in six divisions or bureaus, as follows: The cash division, the bank division, the issue division, the loan division, the redemption division, and the division of accounts.

The cash division is a gigantic bank. It has its cashier, its paying teller, its receiving teller, its interest clerks, and its vault clerks. Into its yawning vault is poured the entire revenue of the United States Government. The receiving tellers receive all the revenue derived from the customs and import duties, from internal revenue, and from the post-office. The paying teller pays out money on drafts and checks on the Treasury, including all warrants drawn by the Postmaster General, all checks drawn by disbursing officers, the salaries of all persons in the diplomatic service, and all officers of the army and navy, and all pensions.

The vault clerks receive all the money which comes into the hands of the receiving tellers. They keep the money in solid square packages, about ten inches square. I took two of these packages, one in each hand. They were both of the same size and weight, and presented the same outward appearance. Yet one contained only $4,000. The other contained the nice little sum of 4,000,000—enough to support a man comfortably during one's lifetime, with the exercise of economy.

The vast extent of the cash division may be realized from the fact that its receipts during the last fiscal year amounted to over two thousand millions of dollars, and its payments to even a larger sum.

The entire receipts of the cash division for the last six years have been five

thousand millions of dollars; and the entire payments during the same time have also amounted to five thousand millions of dollars. The receipts for 1860 were only twenty millions of dollars, and the payments only nineteen millions seven hundred thousand dollars.

The business transacted in the redemption division is very curious and interesting. It requires a corps of eighty-two clerks, sixty-three of whom are ladies, and is transacted in fourteen distinct apartments. All the currency that has served its purpose, and all mutilated United States notes, whether bearing interest or not, and all mutilated, torn or soiled fractional currency, is sent to this division from all parts of the country, and is here redeemed, and the amount returned to the sender in good and new currency. Here we see why Mr. Clark's money mills must be kept constantly running, and why it is necessary for such a vast volume of currency to be constantly made. Paper money lacks the durability of specie; and as it wears out, it must be replaced with fresh issues, or "redeemed." Hence the redemption division of the Treasury. The defaced, mutilated and worn-out notes reach the redemption division in large packages. They are sent in by banks, by railroad companies, by the cashiers of street cars, and by private individuals. If a note has been into one hundred pieces, and all the pieces be present, it will be redeemed at it its full value. The counting of the contents of the packages is done by the lady clerks, who sit at tables with the packages before them. These ladies are obliged to detect counterfeit notes, as well as to count, and they do this while counting. They have acquired remarkable skill and dexterity in this respect, and some of them can detect a counterfeit note sooner than many men who consider themselves expert. From $90 to $100 in counterfeit notes are received here daily, and each note is at once branded "counterfeit" with a hot iron. Certificates of indebtedness from National Banks are received here, and are redeemed one year after date of issue, by checks on the Assistant Treasurers in New York, Boston and Philadelphia.

After the packages of notes have been counted and found correct, they are cut in two by an instrument like a straw-cutter, worked by hand. One-half is sent to the Secretary, the other half to the Register of the Treasury, by whom they are again examined, counted and compared, as a final check on the redemption division. They are finally burned.

The division of accounts is one of the most important in the Treasury. The work is transacted by H. Lighton, chief of division, F. M. Meline, chief bookkeeper, and twenty clerks. The accounts passed upon in this division, and sent here for adjudication, embrace every item of the receipts, revenues and expenditures of the Government. All depositories and collectors of revenue, and all assistant treasurers make stated and regular reports of their financial transactions to this division. The accounts of all moneys transferred from one place to another; from one United States depository to another; from one assistant treasurer to another—are all sent to this division, and are properly entered, charged and credited. All drafts upon the Treasury are issued here; and thus every dollar that passes into or out of the Treasury is accounted for in this room.

The bank division has charge of all the bonds and securities deposited with the treasurer by the national banks [illegible] a tes depositories. There

are 1,554 of these national banks now in existence. Before any national bank can go into operation, it is required to deposit in this bank division a certain amount of bonds and other securities for its circulation. These securities are kept in a large vault, which contains 1,600 compartments, in 1,554 of which are deposited the bonds and securities sent in by the 1,554 national banks. No one has access to this vault except the chief of the bank division, unless on special written order from the Secretary of the Treasury. Receipts of these bonds and securities are sent by the bank division in duplicate, one to the Comptroller of the Currency, and one to the bank depositing the bonds. The banks are then furnished by the Controller of the Currency with what currency they need, the amount being regulated by the amount of security deposited. A register of all the bonds and securities deposited is of course kept. All the national banks make reports twice a year, in January and July, to the division of the amount of their capital stock, &c., and the substance of these reports is recorded in tabular form, in books kept in the bank division.

The loan division issues certificates of indebtedness on checks presented by disbursing agents. These are only in two denominations—$1,000 and $5,000. Each certificate is numbered, and as each one is issued, a record of the fact, with the number and the name of the person to whom it is issued, is entered. These certificates are payable one year after date of issue. For the week ending July 26, the certificates issued amount to $2,450,000.

The compound interest notes, the fractional currency, and all the United States notes engraved and printed in the Treasury building are sent to the issue division of the Treasury, where they are counted, and then sent to the cash division. The general supervision of all these six divisions rests upon Gen. Spinner, the Treasurer of the United States, who has held his present position since the beginning of President Lincoln's administration.

THE CATTLE PLAGUE.

The Cattle plague still occasions the deepest alarm in England although it did not seem at last accounts, to be spreading very rapidly beyond the districts where it began its ravages. To sum up the annals of this terrible and mysterious scourge from various sources it would seem to have made its first appearance in the British islands in the year 1745, the infection having been communicated by a bundle of hides taken from the bodies of diseased cattle and shipped from New Zealand where the sale and use had been prohibited. They were clandestinely sold on their arrival and at once propagated a pestilence which spread with amazing rapidity through every country on the known Globe. For twelve years it ravaged the flocks and herds of England, the Government having paid scarcely any attention to its progress until the third year, when it was already too late to arrest it without ordering all the infected cattle to be exterminated, 80,000 head were slaughtered but in reality 160,000 perished from the disease. In the space of six months 40,000 perished in Nottinghamshire and 30,000 in Cheshire, and the sum total of loss in Europe was estimated at 3,000,000 head.

In far earlier times, the malady had appeared on the Continent. In the reign of Theodoric, it raged at the South and about the time of Charlemagne's

return from his expedition against the Danes, whole herds died off in France. It again broke out in 812, 1223, 1625, 1710 and 1717 at the two periods last named visiting Poland and the Russian steppes with peculiar severity. In 1770, Holland lost 375,441 head of horned cattle, and the same scourge re-appeared in 1806 during Napoleon's campaign, in Italy killing in Piedmont alone 3,500,000 head. From 1713 to 1796 says the French *Feuille du Cultivateur*, or agriculturist's paper, France and Belgium lost ten millions of cattle. In 1806, after the forays of the Cossacks of the Don along the banks of Vistula; in 1813, subsequently to the invasion by Schwarzenburg and in 1855 during the Crimean war, the pestilence broke out with great virulence.

It would seem according to these statistics, that the disease has always revealed itself just after some great displacement or agglomeration of masses of men, and this fact is one of the strongest phenomena connected with the origin of a disease which seems to attack animals only and to spare the human race. Thus, it takes its source among barbarian hordes or armies of ill fed and ill clad soldiers and limits its contagious qualities to the brutes. In 1747, indeed, the New Zealand importation of diseased hides gave in another origin but this year there have been no great unusual collections of human beings anywhere but at Mecca The collection of dead animals carcasses was in the Nile, yet, it was from Hungary alone that the malady took its origin to fall afterwards on England after having skipped the other countries of Europe. The disease appears to be limited to London and a few adjacent counties and many savants believe that it is not the old malady of preceding centuries but a comparatively simple pleuropneumonia which in France, at last, is successfully treated by the cattle doctor. Their alleged reason for this belief is that infants of from two to eight months fed upon the milk afterwards shown to have been infected have died of well defined typhoid fever—a reasonable result of *pleuropneumonia* in the milch cattle which alone are the victims of the present scourge whereas in former cases the sickness attacked other kinds of cattle and spared the human race. If this be true, abstaining from the use of suspicious milk would secure from the direct effects of the pestilence those who have hitherto made it a portion of their diet; and treatment for the ordinary sickness named would restore the cattle.

COFFEE.

A recent author gives a very learned account of the discovery of the coffee shrub "during the latter part of the seventeenth century," the whole of which is a myth. and was probably designed as a bit of humor, although it has been extensively copied as veritable history. It is true that Western Europe first became acquainted with this beverage at the date indicated. The earliest mention of its use in England which we can find is an account in 1652 of its preparation by Pasqua, a servant of one Daniel Edwards, formerly a Turkish merchant, who brought the berry and the art of cooking it from the land of his sojourn. It is said that Solomon Aga, the Turkish Ambassador, made its use known in Paris in 1669, but it was not until 1672 that the first coffee house was opened in that city. The shrub was first planted in Jamaca in 1732, but its early culture was much neglected.

We must go to Arabian records, however, for the history of coffee. There it was indigenous to the soil, and there it has ever been found in its highest perfection. The use of coffee in Arabia can be distinctly traced back to the middle of the fifteenth century. Among the Greeks and Romans it appeared to be unknown, and it was first introduced into Constantinople about 1554. The old manuscripts contain some very curious records of the strife amid which it won its way to public tolerance. The city of Aden boasted of setting the example of its public use about 1450; Mecca and Medina followed, although not without great opposition from the religious authorities. The Koran forbids the use of intoxicating beverages, and coffee was supposed to belong to the inhibited class. In 1500 it became popular in Grand Cairo, when its use was fiercely assailed by the sterner adherents to the Moslem faith. Abdalla Ibrahim in 1523 publicly denounced it, and its friends and foes disputed the question so tenaciously, that at last they came to blows, and a stormy riot was the result. The beverage maintained its ground, however, and its constant use having dispelled the illusion concerning its inebriating qualities, it was quietly tolerated for a while, and ultimately came to be universally esteemed as an innocent and healthful refreshment. A manuscript more recently discovered, and now in the royal library at Paris, ascribes the discovery of coffee to Dhabani, a celebrated scholar in Arabia Felix, in 870 of the Hegira, but this was more than forty years after its common use in the city of Aden.

The coffee tree is an evergreen shrub, varying in height from 8 to 20 feet, and is grown from the seed. After it is two years old it commences to bear, producing a purple berry of an oval shape, about the size of a common cherry This berry has the seed at the core in separate cells, and these seeds are the coffee bean as it comes to market.

The English have never been large consumers of coffee, tea and beer having had the preference for a century. Germany is first in the list of consumers, and the United States stands next on the roll. The French of Paris and the large cities are great coffee drinkers, but the light wines form a cheaper substitute in the provinces. The total annual product of the world is set down, in a recent circular, at an average of about six hundred and seventy-two million pounds, or say three hundred thousand tons. Half of this is produced in Brazil, where the tree grows far more luxuriantly and bears more heavily than in its early Eastern home. The increased product, however, brings with it a rankness of flavor which makes the Rio least favored by persons of delicate taste. About 50,000 tons comes from Java and Sumatra, 30,000 tons from Ceylon, 25,000 tons from St. Domingo, and the remainder from a variety of other countries or islands in or near the torrid zone. The consumption has been estimated by Mr. Moring at 23½ per cent for the German Zollverein, 18½ per cent for the United States, 14½ per cent for Holland and Belgium, 10½ per cent for France, 8 per cent for Austria, 7½ per cent for Southern Europe, 7½ per cent also for Northern Europe, 5½ per cent for Great Britain, and 5 per cent for all the rest of the world. We do not regard this as a very exact division, but it will answer very well to give a general idea of the distribution of that portion of the crop which is prepared for market.

In this country the Rio and other strongly flavored descriptions have been used at the West and some parts of the South, the more delicate kinds being reserved for epicures in all parts of the country, chiefly at the North and East. The high prices brought about by a heavy import duty, and the depreciation of the currency, have greatly increased the tendency to adulteration, and this has been facilitaed to an alarming extent by the large sales in a "prepared" state and the gross carlessness of purchasers. Of course, to purchase coffee roasted and ground is to invite adulteration, and manufacturers are not slow to avail themselves of this privilege. If only chicory, roasted peas, and other comparatively innocent substances were used in this mixture, the fraud would not be so reprehensible; but we have reason to believe that a large portion of the adulterants are much less innocuous. In 1862–63 the official record of coffee imports into the United States was 80,461,614 pounds, costing abroad in gold $10.395,860, while 10,641,350 pounds of chicory were landed at a cost of $305.983. Some of this so-called chicory we tested, and found it altogether spurious, plausible flavor having been imparted to it by a solution of licorice paste mixed with some pungent spices. Even if we return to lower prices for coffee, the lazy habits of American housekeepers will still encourage the sale of ground coffee without examination, thus inviting adulteration, and driving the honest roasters altogether from the trade.

But perhaps the most audacious exploit of the coffee merchant is one of late date. It is well known that the United States government supplied its soldiers in the field, during the late war, with the finest of coffee; while to the citizen was left the commonest trash at the highest figure. Under these circumstances a firm in New York, prompted, no doubt, by humanitarian feelings, undertook to revamp the grounds left from the camp-kettles, *by dryingand mixing*, hundreds of barrels of which were returned to New York and sold as extra Rio to the great satisfaction of our citizens.

CATTLE YARDS OF CHICAGO.

In order to accommodate the immense amount of live-stock brought to the Chicago market the different railroad companies, as well as private individuals engaged in the trade, have found it necessary to construct, from time to time extensive cattle yards. These yards were necessarily scattered around and widely separated from each other, and very great inconvenience was occasioned thereby. Whenever a herd of cattle were to be transferred from one line of railway to another, they would have to be unloaded, driven through the streets perhaps several miles to the yards of the company over whose line they were to continue their journey, and then placed in other cars. Another evil of this system was that most of the yards were situated in or near the city, and were generally regarded as a nuisance by those residing in the vicinity. The increase of the cattle trade made it necessary that such arrangements should be made as to afford more convenience and less delay in the transhipment of cattle; accordingly a plan was proposed that all the railroads centering in Chicago should unite in building one mammoth stock yard, sufficient for the wants of all, and situated in such a place as could be easily reached by all the roads and by the

public, and at the same time be sufficiently remote from the city. This plan was at once acted upon, and all the railroad companies agreed to enter into the project. A company was organized with a capital of $1,000,000, and in a short time all the stock was taken—the greater portion by the railroad companies, and the remainder by the leading cattle dealers and packers of Chicago. Immediately after being organized, the company purchased 345 acres of land, several miles from the city, and the work of building the yard was commenced about the first of June. Large drains six feet deep were dug, running north and south through the grounds, 150 feet from each other, and running into these from the east and west sides were numerous small drains two feet deep and 30 feet apart. After completing the draining, the whole yard was planked. This was done by placing large sills on the ground, putting joists over them, and nailing on these joists heavy pine plank. After the planking, which extends throughout the whole yard, the place was surveyed out into blocks, and then divided into pens. These pens vary in size from 20 feet by 35 feet to 85 feet by 112, and in capacity from one to 13 car loads. They are so arranged, however, that at any time two, three or four of the pens can be thrown into one. There are in all 500 pens, and they are all numbered so that they can be easily found. The pens for cattle are open on top, while those for hogs are covered with shed-roofing. The place is divided into streets and alleys cutting each other at right angles. Each of these streets is designated by some particular number or letter, and vary in width from 33 to 75 feet. The alleys are from 16 to 24 feet wide. At the entrance to every pen there are two gates, which when open swing right across the street, and thus stop up the thoroughfare, so that when the cattle come to it they cannot go further on, and being unable to turn back must pass into the pen. The gate is then closed and they are safe. Around the whole 345 acres there will be a high board fence.

Through every stall runs a two-inch iron pipe connecting with a four-inch pipe running through the ground at the depth of over two feet. These pipes will conduct water for the use of the stock into every part of the yard, all the drovers need do is to turn on the water, and it flows into troughs in any required quantity. When finished, there will be more than six miles of the water pipes running through the yards. It is estimated that there will be over 500,000 gallons of water used around the place daily, and where the supply is to come from has not yet been determined. A well has been dug, and, at the depth of seventy feet, a fine spring was struck, which flowed so rapidly that the workmen experienced some difficulty in escaping with safety. A very large quantity is now used from this well, and yet the supply continues as great as ever. The company are in hopes of being able to obtain a sufficiency of water for all purposes from several of these wells, and they are now having two made.

On two sides, the east and west, numerous railway tracks are laid down for the accommodation of all railroads centering in Chicago. There are nine railroads interested in the undertaking, each of which has 1,000 feet of track for its own particular use.

In connection with this immense cattle yard, there will be erected a very large hotel, sufficient to accommodate several hundred persons; a bank and ex-

change building, at which all the financial business of the yards will be transacted. Other buildings, consisting of stables, stores, workshops, and dwellings are also being erected by the company in the vicinity of the yard. The work at present in hand will cost about $500,000, but what the ultimate cost will be the company themselves cannot estimate.

NON-OCCUPATION VITIATES INSURANCE.

The Supreme Court of Massachusetts has just made a decision of much importance to the insured. It is, that when a policy of insurance contains a clause to the effect that if the building insured is unoccupied for any time, without notice to the office, the policy is void; the building must actually be in use during that time; it is not sufficient that everything remains in readiness for use and occupancy, and it is visited every day. The case that brought out this decision was the suit of one Keith vs. the Quincy Mutual Insurance Company, to recover the insurance on a trip-hammer-shop, destroyed by fire.

The building, which was connected with other shops, was unused, sometimes for months, though it was always kept ready for service and was visited every day to see that everything was straight. But the Judge ruled that this was not enough to constitute occupancy, and if the building had remained without any practical use for thirty days—the time specified in the policy—it was really an unoccupied building for that time, and the policy became void; and the full bench have sustained that ruling. In this case it was the renewal of an old policy that had no such clause in the original, and the plaintiff testified that he did not know that the clause was in the new policy; but his ignorance made no difference in the decision.

In this view of the case, there are a great many unoccupied buildings, and a large number of insurance policies are voided, if they have a clause compelling the occupancy of buildings all the time, without notice is given to the contrary. People who leave their houses for a month or two in the Summer, though they may, perhaps, be visited every day, are liable, under this ruling, to lose their insurance if the house should be destroyed by fire; and the same is true of an unoccupied office or shop. It is important, at all events, that people who have their buildings insured should know exactly what their policies require, or they may become liable at any time to lose their insurance in case of fire, through some trifling, perhaps merely technical, violation of the terms imposed by the insurance companies.

CONTENTS OF FEBRUARY NUMBER.

ART.		PAGE
1.	Of the Balance of Trade	89
2.	Treasure Movement during the Rebellion	95
3.	Marine Losses—Disasters in 1865	99
4.	Imports of Dry Goods at N.Y. for 1865	100
5.	Lumber Trade of Chicago	101
6.	Commercial Law.—No. 30. Marine Insurance	107
7.	Analyses of Railroad Reports. No. 5	115
8.	British and New York Railroads	119
9.	Petroleum for 1865	122
10.	Commercial Chronicle and Review	123
11.	Journal of Banking, Currency, and Finance	131
12.	The United States Debt	133
13.	Insurance Dividends	134
14.	Treasure Movement at New York for the last Seven Years	135
15.	Federal, State, and Municipal Finances	140
16.	Ohio State Debt	142
17.	Debt of the State of Illinois	143
18.	Michigan State Debt	143
19.	Public Debt of Massachusetts	144
20.	Finances of St. Paul, Minn	145
21.	The City Debt of Toronto	146
22.	Journal of Insurance	147
23.	Insurance against Accidents	148
24.	Mines and Mining Statistics	149
25.	Wealth of Virginia	151
26.	Commercial and Industrial Statistics	152
27.	Photographic Discoveries	155
28.	The Monster Bells of the World	157
29.	Saleratus by the Acre	158
30.	Worsted Goods	158
31.	Manufactures of Lowell	158
32.	Statistics of Population	159
33.	Census of Iowa	161
34.	Mercantile Miscellanies	161
35.	The Cattle Plague	163
36.	Coffee	164
37.	Cattle Yards of Chicago	166
38.	Non-occupation vitiates Insurance	166

THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

MARCH, 1866.

THE REHABILITATION OF THE SOUTH.

The question of the admission of the Southern delegations to Congress appears to be still the only subject discussed in our Legislative Halls at Washington. President Johnson also has, during the month, been visited by numerous delegations, and his opinions, with regard to the reorganization of the South, have been fully made known. Among others a Committee from the Senate and House of Delegates of Virginia, presented to the President a series of resolutions adopted by the General Assembly of that State on this subject. In reply, Mr. Johnson reiterated the principles which have actuated his course, and gave further reasons for the policy adopted. After setting forth the position which he had taken during the recent civil war, he said:

"I am gratified to meet you to-day, expressing the principles and enunciating the sentiments to which you have given utterance. I have no doubt that your intention is to carry out and comply with every principle laid down in the resolutions which you have submitted. I know that some of you are distrustful; but I am of those who have confidence in the judgment, in the integrity, in the intelligence, and in the virtue of the great mass of the American people, and having such confidence, I am willing to trust them; and I thank God that we have not yet reached that point where we have lost all confidence in each other. The spirit of the Government can only be preserved, we can only become prosperous and great as a people by mutual forbearance and confidence. Upon that faith and confidence alone can the Government be successfully carried on."

In these words of Mr. Johnson is embraced the single idea upon which depends the great issue now before the nation—Shall we or shall we not, trust the South? The President holds to the doctrine so emphatically expressed in his letter to General Slocum that "the people must be trusted with their Government." He is a Southern man, born and bred among that people, and has shown his devotion to his government by the readiness with which he sided against the majority in his own State at a time when patriotism in Tennessee cost something. We should be inclined, therefore, to place great confidence in the President's iews, and especially in this instance, when they are supported by the opinions of the leading military men who have had opportunities for judging. But

aside from the views of the President and others, we believe that every consideration of national interest and of national pride, require the prosecution of the more generous policy.

We do not impugn the motives of those who think differently. It is natural that men who have given their best exertions, their lives, and the lives of those dear to them, to maintain the integrity of the Republic, should require ample security against a repetition of the controversy. They apprehend the revival, under some form, of the doctrine of secession, and the continuance of laws oppressive to the race that the war has enfranchised. We are convinced, however, that such fears are groundless. The South staked their all on the issue of the war. They lost; and now the heresies which gave rise to it, no power on earth could vitalize. The Constitutional Amendment has also denationalized slavery, and the people and the States are showing, through their legislatures, and through private contracts with the freedmen, the good faith with which they accept the situation.

This frank avowal of Mr. Johnson will, therefore, we are persuaded, be accepted in the same spirit in which it was made. It is not by the holding of the conquered party to extravagant and humiliating conditions that the Union is to be established anew, that civil law is to be maintained in the Southern commonwealths, and their prosperity restored to its former condition. Enough that the majesty of the nation has been asserted, and the problem of secession has been determined by the arbitrament of war, that the social system of the South, which many regarded as the original source of the mischief, has been overturned. The time for peace has come, and the duty of the hour is restoration. The basis of this restoration must be mutual confidence, as the President has so clearly indicated. The Southern States must invite this by assuming a political attitude before the nation; the North, by cordial acceptance of their assurances.

The most important considerations of public interest demand this. When the war began, every one felt that the breaking up of the Union would involve the general disintegration of society, and endanger our national existence. The same feeling, rightly applied, must lead to the universal conviction that territorial dependence and military subjection of the Southern States, expose us to similar peril. We cannot safely permit a colonial system to grow up among us, tending as it does to concentrate power in the hands of the Executive, and to enlarge it even to the dimensions of imperialism. This was the real issue upon which our fathers fought in the revolution; and it is tangibly expressed in their watchword, the reason why John Hampden refused to pay ship-money,—"No taxation without representation." Till our Southern States are permitted to have their Senators and Representatives in Congress, they are but colonies of their sister commonwealths, and can have no joint interest in our great national system.

This disorganized condition is liable at any moment to operate unfavorably upon our foreign relations. We cannot press so boldly upon the British Government the settlement of the questions of international law arising out of the spoliations upon our commerce by privateers fitted out, manned and chartered in British ports; nor venture with proper assurance to demand the evacuation of Mexico. The general lawlessness ex-

isting in that Republic, and the weakness of the acknowledged Government, afford to Maximilian and his Gallican sponsor a pretext for their armed occupation almost as good as our own for military subjection of two-thirds of our own territory. So long as this state of affairs remains, the possession of that territory is a source of relative national weakness. Every foreign statesman knows this, and the diplomatic correspondence of Messrs. Seward and Adams cannot disprove so palpable a fact. It has been the great difficulty in our foreign intercourse; and we appreciate the feelings of the President when he declares that—

"The moment it can be announced that the Union of the States is again complete, that we have resumed our career of prosperity and greatness, at that very instant almost all our foreign difficulties will be settled. For there is no power on earth which will care to have a controversy or a rupture with the Government of the United States, under such circumstances."

We wish most earnestly that Congress could take as broad and just a view of this question.

But most of all it is necessary to the prosperity of the country that this policy should be speedily put into operation. The vast region lately overrun by war was the garden of the Republic, and furnished to our export trade the staples which gave us our commercial preponderance in the markets of the world. In this connection the following table will be of interest, showing the exports of cotton from the United States during the last seven fiscal years, distinguishing the ports from which it was shipped, and the countries of its destination. The figures for the year ending June 30, 1856, we have obtained from the Treasury Department at Washington through the politeness of the Register; the figures for the other years were also compiled from the records of that office.

COTTON EXPORTED FROM THE UNITED STATES.
[Expressed in Thousands of Pounds.]

		1858-59.	'59-60.	'60-61.	'61-62.	'62-63.	'63-64.	'64-65
Sea Island.....lbs		13,713	15,599	6,170	66	528	133	330
Other Cottons		1,372,755	1,752,087	301,346	4,998	10,857	11,861	8,564
Total.....lbs		1,386,468	1,767,686	307,516*	5,064	11,385	11,994	8,894
From Boston, Mass		2,752	3,103	12,850	173	174	101	9
New York, NY		70,824	103,341	110,769	4,827	9,168	9,648	5,956
Philadelphia, Pa		677	146	1,506	2	31	....	....
Baltimore, Md		10	111	1,70.	....	....	....	....
Charleston, SC		136,793	157,348	39,852	....	....	....	....
Savannah, Ga		123,183	153,865	1,111	....	....	....	....
Mobile, Ala		250,220	351,541	87,202	....	....	....	....
Key West, Fla		656	3,3.9	1,169	....	....	....	....
Apalachicola, Fla		22,292	2,427	913	....	....	....	....
New Orleans		743,596	922,743	31,539	....	1,862	2,192	†2,838
Texas (Galv'n &c)		35,636	56,255	11,472	....	....	....	....
Saluria, Tex		155	8 8	741	....	....	....	....
Other Ports		181	2,619	615	57	149	53	92
To Russia		43,619	21,698	4,251	....	....		....
Sweden & Norway		11,032	11,663	582,851	....	....	....	....
Hamburg		9,556	12,081	3,305	8	....	28	49
Bremen		56,125	53,639	8,585				92
Holland		16,156	12,757	2,650	....	13	....	....
Belgium		14,328	14,800	5,682	....	....	....	....
Eng and Scotland Ireland	United Kingdom	909,572 / 8,195 / 25,919	1,2 4,028 / 17,096 / 31,013	198,931 / 2,.84 / 2,598	3,545	9,840	9,651	7,289
France		186,490	280,344	51,717	23	1,267	1,777	1,276
Spain		60,523	44,022	11,156	568	....	....	....
Italy		21,488	27,018	11,686	844	....	59	....
Austria		16,556	7,471	....	....	....	....	....
Mexico		5,994	9,143	1,411	....	....	417	....
Other countries		913	5,338	556	61	265	65	183

* As recorded without correction for the omission of actual exports for nearly three quarters at the leading Southern ports. Including these the Treasury Department estimates the total export at 1,750,000,000 pounds, valued at $185,000,000.

† No returns from New Orleans for the quarter ending June 30, 1865.

In the year before the war, besides the production of manufacturers to the value of over $200,000,000, and the supply of raw material to New England and the North, the South sent to Europe cotton, tobacco, rice, &c., to the value of about $210,000,000. Now that the incubus of slavery has been removed, there is every reason to expect the speedy restoration of that commerce and home production. Freedmen having an interest in the products of their industry, take the place of slaves, while mechanical ingenuity is set free to make agriculture more productive, and immigration is afforded a new and more attractive field. Mr. Johnson is amply warranted in his sanguine declaration that if all the States were restored, all the industrial pursuits and avocations of peace again resumed, the day could not be far distant when the United States would put into the commerce of the world cotton and tobacco to the value of $250,000,000 to $300,000,000. With such a result we would not long be compelled to see our bonds quoted in Europe at only about two-thirds their par value. Our men of business would not, as at present, be holding back from investment and active operations, for fear that they would be suddenly arrested in their progress by financial revolution. The population of the Southern States, inured by the experience of war to greater familiarity with practical life and activity, and possessing in their soil, their mines and climate, the elements of incalculable wealth, would soon divide with us the national burdens and aid us in increasing manifold the resources of our common country.

But, in order that we may develope the wealth of the South, all political questions must be settled, so that peace and security may become universal. The South has lost its capital, and has not of itself the ability to resume, on a large scale, the cultivation of cotton. At the same time, the means of transportation are greatly crippled, while the plantations have been devasted, so that gin-houses, machinery, agricultural implements, fences, &c., will have to be provided anew. How is the capital to be attracted that is to supply these necessary wants? Alone by ensuring large profits; and this can only be by encouraging, in every possible way, those attempting the cultivation of cotton in the South, and, above all, by giving to capital the security of a civil government. We have again the opportunity, and it brings with it the duty, to occupy the first place in the markets of the world. The same natural advantages we have always possessed remain to us, the same laboring population are there ready to engage in the culture, and with an interest in the result which must add largely to the profit of both the laborer and the employer. Besides, machinery can be used instead of old negro hoes to prepare the soil, and emigration from Europe will add largely to the volume of industry. If, therefore, we can encourage the production now, capital will be attracted to the South, the waste of the war will be supplied, and the future condition of our country cannot be doubtful.

It must be remembered too that this country has not the monopoly in cotton production which previous to the war many supposed it had. High prices have lead to its cultivation elsewhere, and to-day the Egyptian staple commands a higher price than the American. Brazil and India have also furnished large supplies. It depends upon ourselves whether this will be continued until increased facilities in those new countries for producing and bringing to market this much needed staple, shall

enable them to compete with us. The following tables furnish at a glance the history of cotton the past few years. The first gives the imports, &c., from the United States separately, and the total from other sources during the last four years:

IMPORTS, STOCK AND CONSUMPTION OF COTTON IN EUROPE, 1862-65.

[Expressed in thousands of bales.]

	1862		1863		1864		1865	
	U. S.	Total.	U. S.	Total.	U. S.	Total.	U. S.	Total.
STOCK, January 1	434,	883,	88,	507,	42,	364,	24,	648,
IMPORT—G. Britain	72,	1,445,	139,	1,932,	198,	2,587,	462,	2,755,
France	24,	225,	8,	315,	15,	429,	36,	540,
Holland	11,	74,	10,	136,	9,	119,	7,	101,
Belgium	1,	17,	...,	37,	1,	22,	6,	75,
Germany	5,	98,	11,	158,	6,	181,	12,	258,
Trieste	...,	32,	...,	26,	...,	28,	1,	56,
Genoa	1,	10,	1,	23,	...,	18,	...,	27,
Spain	18,	73,	6,	106,	12,	92,	6,	93,
	132,	1,974	168,	2,733,	241,	3,476,	530,	3,925,
Deduct intermediate shipments	38,	388,	19,	514,	21,	468,	37,	659,
NEW SUPPLY	94,	1,586,	149,	2,219,	220,	3,008,	493,	3,266,
Add stock from above	434,	883,	88,	507,	42,	364,	24,	648,
TOTAL SUPPLY	528,	2,469,	237,	2,726,	262,	3,372,	517,	3,914,
Deduct stock Dec. 31,	88,	507,	42.	364,	24,	648,	155,	466,
TOTAL DELIVERIES	440,	1,962,	195,	2,362,	238,	2,724,	362,	3,448,

The following shows the amount (in thousands of bales reduced to an uniform weight of 400 pounds) suppplied from the several producing countries, and the amount delivered for consumption in the years 1860 1863, '64, and '65:

SUPPLIES AND CONSUMPTION OF COTTON IN EUROPE 1860 AND 1863-65.

[Expressed in thousands of bales of 400 pounds.]

	1860.		1863.		1864.		1865.	
	Imp.	Con.	Imp.	Con.	Imp.	Con.	Imp.	Con.
United States	3,551,	3,384,	164,	214,	241,	261,	522,	396,
Brazil	106,	125,	67,	80,	117,	113,	149,	140,
West Indies	47,	46,	36,	34,	40,	37,	84,	80,
East Indies	573,	524,	1,258,	1,317,	1,607,	1,372,	1,320,	1,626,
Mediterranean	158,	145,	472,	477,	650,	688,	837,	834,
Total	4,435,	4,224,	1,997,	2,122,	2,655,	2,421,	2,912,	3,066,
OLD STOCK	571,		451,		326,		560,	

These figures demonstrate the fact, that with cotton at the present high prices the sources of supply can be greatly multiplied; yet with lower prices there is no prospect that any of the countries which have of late years become the dependence for European consumption will be able to keep up their unusual supply. In fact even now India, fearing the resumption of the cotton supply from America, has begun to turn its attention to the cultivation of other staples. In the Presidency of Madras there was on the 31st of October only 931,727 acres of cotton under cultivation, whereas in the previous year there had been 1,663,300 acres, showing a decrease of 131,670 acres in one year. All that is necessary for us to do is to encourage the flow of capital south by taking away as soon as possible military rule and stimulating the production so that lower prices may drive out all competition.

Hence, we see that every consideration of national interest and public policy, requires the early rehabilitation of the Southern States and their restoration to the family of Union; and the President's eagerness to lay aside the extraordinary powers which the exigencies of the war had con-

ferred upon him, affords the highest proof of his sincerity and patriotism. We want the aid of Southern statesmen to solve the problem of necessary legislation for the South, and it is damaging to the best interests of the country to dispense with it any longer; we want the moral influence of a united country in adjusting our foreign relations; and, perhaps more than all, we want capital attracted to the South, and its industry and wealth free to develope itself, and this cannot be, so long as the States are under semi-military rule.

RAILROAD ACCIDENTS IN OHIO AND OTHER STATES.

LEGISLATIVE ACTION DEMANDED.

BY JOHN HENDERSON.

The many fatal accidents that have occurred upon the railroads of the country during the past year or two have drawn public attention to the matter, and have created a lively apprehension on the part of the traveling community.

The public press, which has almost daily chronicled some "wholesale slaughter on the rail," has called loudly for legislative action, and we fairly expected that the subject of railway management would be one of the first to engage the early attention of the several Legislatures now in session.

While the States of New York, Massachusetts, Pennsylvania, Connecticut and Wisconsin, through their State officers, furnish annually full and complete statistics of the several railroad corporations of their respective States, our State, though second only to Pennsylvania in the number of miles in operation and capital invested, has no official data on which the Legislature can act intelligently on railway subjects.

Attempts have frequently been made by the Standing Committees on Railroads and by special committees of our General Assembly, to obtain information and statistics of the several railroad organizations of this State, but all their efforts proved abortive. Circulars were prepared, blanks gotten up, and appeals made to railroad officers for facts, but these were all unheeded, and these several committees were compelled to report to the Legislature their utter inability to obtain the desired information.

During the last session of the General Assembly, numerous petitions were presented, and a bill was introduced by the committee on railroads entitled "To regulate railroads, and render life and limb more secure to travellers thereon;" but this bill was, we believe, stifled in committee, and never reached either branch.

The State of Ohio now stands second in the number of miles of railroad in operation, and yet but few of these roads publish reports of their conditions or operations, and a majority of those which do publish reports, furnish as little information as they possibly can, and in such a shape as to, in some cases, mislead and blind stockholders and the public generally.

The railroad interests of Ohio are large, and second only to the agricultural, and it is certainly the duty of the Legislature to require all railroad corporations within the State, or whose lines enter it, to make uniform and printed reports annually of their financial standing, business operations, and the condition of their tracks, machinery, &c., not only for the

use of the Legislature, for the information of the public who travel over these lines, or who have invested in their securities, but for the benefit of the roads themselves.

A road that is properly managed and is in a sound financial condition, cannot certainly object to such publication, while, if the road is run down, its iron worn out, and its machinery used up, and it is financially embarrassed, it is due to those who travel over it, and trust their lives and property in the care of its managers and conductors, or who invest their means in its securities, that they should know its true condition.

The Legislature from whom these roads received the vast privileges they enjoy certainly has the power to compel this information to be furnished for the protection of the lives and property of its constituents, and it is equally certain that it is its duty to see that these reports are made annually to some State officer.

Not a session of the Legislature convenes but some road is on hand asking for some valuable privilege, and yet we venture to say that there is not an interest in the State of which there is less known, outside of its immediate managers, than the railroad interest.

Such a law should be carefully framed, so as not to impose onerous obligations upon railroad corporations; but this might easily be done, and the public interest be vitally subserved.

We have before us the printed reports of 21 railroad companies of Ohio for 1863, and of these not more than four or five furnish any information interesting to the general public, or give any correct insight into their actual condition.

During the past five or six years several of the roads in this State have been seriously embarrassed financially, but these are all availing themselves of the General Capitalization law, and are emerging from their difficulties, and are being placed upon a sound financial basis; but they are far from being safe so far as their track and bridges are concerned, and their machinery and stock are in a sadly dilapidated condition.

While these roads were thus embarrassed, they were, as a general thing, unwilling to make public their true condition. Others, again, while doing comparatively well, withheld all information from the public, to enable the managers to carry out some financial scheme, to which publicity might have proved fatal. This course has in some cases created the impression that the roads were running behind, and the holders of bonds and stocks have been induced to part with their securities at less than their real value.

In January, 1862, we compiled and published in the *Gazette* a statement of the then conditions of the railroads of Ohio, with comparative tables for a series of years. This was prepared from the printed reports of some of the roads, from the records of the Courts, when the roads were in the hands of receivers, and from the secretaries' books of those roads which furnished no printed reports.

When we came to the head of "casualties," we found it impossible to prepare any tables on the subject, or to give anything like a correct and full list of accidents resulting in death or injury to passengers, employes, or others.

During 1861 we found that 4,684,673 passengers had been carried on the railroads of Ohio. From the reports of about one-half the roads in

the State, and which include nearly all the important passenger lines, it appeared that during that year 21 persons were killed, of whom but one was a passenger, and he lost his life by stepping from a train while in motion. The others were either killed while walking on the track, crushed while coupling cars, or by falling from moving trains.

Not satisfied with our investigations on this point, we concluded to keep a watch of the city and country papers of the State for all notices of accidents during the year 1862, and we give below the result, showing the number of persons, whether passengers, employes, or others, who lost their lives on the road, within the State, for the year ending December 31st, 1862:

It will be noticed that of the 123 deaths reported, 59 were caused by walking or lying on the track, or crossing in front of the locomotive. Soldiers and brakemen riding or standing on the top of cars and being struck by bridges, was another cause of many fatal accidents.

Of the total number of persons killed, 55 were railroad employes, of whom 26 were brakemen, and 18 were passengers, of whom 16 were soldiers.

The following is a classification of the causes of death:

Walking or lying on the track	59	Train thrown off track	3
Explosion	5	Getting on train in motion	4
Struck by bridges	11	Car broke down	1
Collisions	3	Fell from trains	10
Cars thrown off the track	5	Run over while switching	4
Passing from one car to another	7	Jumping off train in motion	3
Coupling cars	8		
Total			128

The following will show what employes and others were killed:

Brakemen	26	Car repairer	1
Engineers	3	Laborers	10
Firemen	5	Soldiers	16
Switchmen	3	Farmers	7
Conductors	3	Women	4
Yardmaster	1	Merchants	12
Roadmaster	1	Mechanics	11
Division men	2	Unknown	18
Total			128

This list is correct so far as it goes, but it is probable that omissions have occurred which might increase the total number killed to 140.

This statement, it will be seen, simply gives the number of deaths that have occurred during the year, while no mention is made of casualties in which injuries have been sustained not resulting in death, at least at the time of the accident.

On examing the printed reports of 22 railroad companies for this year, we find that but eight roads make any allusion to accidents; and that while, according to our figures (and we have the names, dates, and name of road), 123 persons lost their lives, these eight roads report as follows:

KILLED.

Train thrown from track	2	Collisions	3
Walking on the track	13	Explosions	2
Jumped from train	1	Fell from trains	2
Total killed			22

Leaving 100 persons killed, according to our figures, of which no mention is made in their reports.

Out of 21 printed reports for 1863, now before us, 11 make no allusion whatever to accidents on their lines, and 10 report as follows:

Little Miami, & Columbus & Xenia.—No passengers injured. Freight train thrown into a creek by washing away of culvert, killing engineer, fireman and brakeman. Five persons killed while walking on the track, two by jumping from trains in motion, and three crossing tracks in front of locomotive. Total, 13.

Cleveland, Columbus & Cincinnati.—Three persons killed while walking on the track. One employe killed by falling from a train, and two while coupling cars Total, 6.

Bellefontaine Line.—Two persons killed while attempting to get on trains while in motion. Others killed on the track. Total, 2.

Cincinnati, Hamilton & Dayton.—Collision between two passenger trains. Five passengers killed, twenty-five injured. Total, 5.

Dayton & Michigan.—Collision between special passenger train and switching engine. Two soldiers killed and twenty-eight injured. Total, 2.

Cleveland & Toledo.—Train thrown from the track by misplacement of the switch. Brakeman and baggage master killed. Total, 2.

Sandusky, Dayton & Cincinnati.—No serious accidents to report, and none except those which seem unavoidable.

Cleveland & Pittsburg.—No casualty of any moment.

Marietta & Cincinnati.—No accident resulting in loss of life or injury to passengers.

Sandusky, Mansfield & Newark.—No injury to passengers.

The following is a summary of the fatal accidents *reported*:

Walking on the track	8	Train thrown from track	3
Collisions	6	Fell from train	1
Jumping from train	2	Coupling cars	2
Crossing in front of locomotives	5	Getting on train in motion	2
			29
Injured by collisions			53

These reports cannot be used as a basis to form any estimate of the number of persons killed or injured, on even these roads, for it is obvious that no record is kept, or at least published, of persons run over on the track, and that none but the most serious casualties are noticed.

The number of passengers carried on the railroads of Ohio during 1863 was 6,296,148, against 5,006,673 for 1862, and the increased number of irregular trains in Government employ render it certain that the number of fatal accidents in 1863 was fully 25 per cent. greater than in 1862, which would make the number killed 175 for that year. This, we are inclined to believe, is too low an estimate, but still we place the number at that figure to be within the mark.

For 1864, we have 23 printed reports of Ohio railroads before us. Of these, but six roads make any allusion to accidents. These six roads report 32 killed and 13 injured; and the number of passengers carried was 8,908,303.

The number of passengers carried on the railroads of Ohio during the past four years compare as follows:

1864	8,908,303	1862	5,006,855
1863	6,296,148	1861	4,684,673

From these figures it will be seen that travel in 1864 was nearly double what it was in 1861, and an increase of 78 per cent. over 1862.

The casualties for 1864 will show a much greater percentage of deaths and injuries to passengers than almost any former year, and this is to be accounted for partly by the largely increased travel, requiring special and extra trains, and to the lack of additional carefulness on the part of railroad employes, but chiefly, and we quote from the remarks of the late Gov. Brough, in his annual report to the stockholders of the Bellefontaine Railroad line in January, 1864:

Our casualties to trains during the year are in excess of any former year. These arose principally from the fact that in the days of smaller income we wore our iron down too closely.

What Gov. Brough says of his road is equally true of nearly every road in the State, and it might be added: "And have failed, under largely increased incomes, to expend any portion of this increase in bringing up our tracks, bridges and machinery to the proper standard."

Another prominent railroad officer, in his annual report, says that "the two most important items wanted were upon track and bridges; and, owing to the high price of material and the advance in labor, there was much less done than was anticipated."

Had we space and time to examine carefully the reports of the railroad companies of Ohio for 1863 and 1864, we think it could be shown conclusively that, with a few exceptions, nearly all the roads in the State have allowed their tracks and machinery to run down. They have all had more business than they could do satisfactorily, and their exertions have been mainly devoted to extending and increasing this business, while their earnings have gone to paying extra dividends, when they should have been appropriated toward keeping up the track and machinery, completing the fencing, renewing bridges, and in some cases building and extending double tracks.

The excuse for this neglect has been the scarcity of labor and the high price of material, but this excuse is no excuse while the life and property of those who patronize their lines are thus jeopardized.

The reports of the superintendents will show recommendations that so many tons of new or re-rolled iron are required to be laid; so many thousand ties need renewing, and so many bridges should be rebuilt, to render the road safe, and lessen the expense of repairs to machinery; but take up their reports for the succeeding year, and it will be seen how the recommendations have been neglected.

From the facts which we have given, it will be seen that the chief cause of deaths on Ohio railroads, previous to 1863, was from walking on the tracks and being run over by passing trains, and must be charged to the carelessness of the victims; to the carelessness on the part of employes in coupling cars, switching, falling from trains when in motion, and getting on and off trains while under way.

When we look at the large number of persons who have travelled on Ohio railroads during the years previous to the war, it speaks well for the management of these roads in years past that so few lost their lives.

The records of 1863 and 1864, however, show a far different result, More accidents have occurred to passenger trains during these years, which have been charged to broken rails, frost, and the elements, resulting in greater loss of life and injury to persons than during the previous four

or five years together, and the cause is to be found in the dilapidated condition of the road bed, the rottenness of the ties, the iron being badly worn, the lack of care on the part of those in charge of trains, the disregard of all such safeguards as all well-managed roads ought to employ, and the necessity that has occurred in the movement of troops requiring extra and special trains out of regular card time.

So far as the matter of accidents on railroads is concerned, the Legislature might require all railroad companies to file annually with the Secretary of State a full statement of each case of loss of life or injury to passengers, employes or others, which would enable the Legislatures to judge what additional safeguards, if any, were necessary to secure greater safety to the lives and property of persons travelling over the roads of the State, but we think the time has arrived when the Legislature should go further, and require all railroad corporations within the State to file annually with some State officer such reports of their standing and conditions as are required of the railroads in New York, Massachusetts, Connecticut, Pennsylvania and Wisconsin.

The legislation regarding railroads seems to be more perfect in Connecticut than in either of the other States named. This State has a Board of Railroad Commissioners, whose duty it is to examine the condition of these roads, their tracks, bridges, switches, machinery, &c., and power is invested in this Board to enforce all proper requirements looking to the safety of the travelling public.

We are not advocating the appointment of any such Board by our Legislature, or of a commission even, but simply in view of the vast interests involved, and the evident necessity of some reform in railway management, we submit these facts to the attention of our Legislature, and ask from them a careful consideration.

Ohio has now 3,439 miles of railroad in operation within the State, having a capital invested of *eighty to eighty-five millions of dollars*, costing *one hundred and seventy five millions of dollars*, and earning some *twenty to twenty-five millions of dollars* annually, and yet the Legislature to day has no information concerning this vast interest, nor can it procure it by a simple request.

We give below a summary of the reports of the several States in which railroad companies are required to file the same with the State officers, upon accidents, which may prove of interest in connection with what facts and statistics we are able to give of our own State.

CONNECTICUT.—The General Railroad Commissioners of Connecticut, in their Eleventh Annual Report to the Legislature, being for the year 1863, report as follows:

"The Commissioners during the year, and at different periods, have examined and carefully inspected all the railroads in the State, their track, bridges, switches, crossings, workshops and rolling stock, and have endeavored to fulfill all the duties which appertain to their appointment.

The Commissioners congratulate the Legislature and the public upon the generally healthful and prosperous condition of the roads in this State, as well as the safety in which they have been operated. The year now closing has not been marked by any serious disaster to their immense freight of human life and property. Their business has been generally conducted so as to meet the great purposes for which they were chartered, and the public have, as a rule, been both benefitted and accommodated.

It has been the purpose of your Commissioners to obtain from each of the compa-

nies as complete returns of their doings in all departments as it is possible to obtain, in order that both the Legislature and the public should be advised of their true position, that suitabl legislation may be provided to protect both the State and the corporations. The Commissioners regret that in some instances failures in important items prevent them from making up such a general summary as is advisable to show the relative positions of particular roads, and their business, or the state of all of them for a series of years. This is in part owing to their connections with the railroads of other States, thus necessitating an incompleteness and delay in their returns. Our railroads form an important chapter in our history, other than merely financial, and it is believed by your Commissioners that the history of these enterprises should be as perfect and complete in itself as the nature of the case will admit of.

Personal safety has claimed the constant attention of the Commissioners. The system of safeguards adopted by law and by the experience of years, while it does not entirely prevent accidents, is still esteemed the best under the circumstances that can be applied to the present system of conducting railroads.

The Commissioners have, as far as possible, kept the system up to its former standard, and by personal inspection, satisfied themselves that all necessary signals and warnings have been in constant position and working at the points of danger upon all the roads.

Notwithstanding these precautions they have to report a slight increase in accidents resulting in deaths, over the previous year.

It affords the Commissioners great gratification, however, to state that in a transportation of almost four million passengers during the year, none have been subject to serious injury while riding in the cars.

Public road crossings, nearly one thousand of which are found in the State, are and have been esteemed great points of danger to life and property, requiring the utmost vigilance of railroad operatives, and the public who use these intersecting points of the railroad and the highway. But the system of "warning boards," placed in prominent positions, the sounding of the locomotive whistle before reaching them, and the alarm of the engine bell, have so far protected the public that your Commissioners have to report but two instances of casualties at these points of danger during the year.

The most prominent cause of disaster to life is found in the habit of walking upon the track of the roads, notwithstanding the knowledge of the danger and the repeated warnings which the reports of the Commissioners furnish. The table of accidents appended shows that in thirty-eight cases of fatality, twenty persons have been killed or injured by selecting these places of danger for travel or rest.

As these accidents, from a careful investigation, prove to be the result of carelessness on the part of the victims, your Commissioners cannot recommend any change in the law, which would prevent this exposure of life and personal safety, yet they cannot but express their deep desire that some more efficient means for preventing this yearly record of disasters from this cause might be discovered. Another fruitful source of accidents is found in jumping on and off the cars while they are in motion. The number of persons injured from this cause during the year has been fifteen, being an increase in this class of nine over the previous year. Five have fallen from trains in motion while occupying dangerous positions against the published warnings of the companies.

Intoxication is a prominent cause of disaster. Although the table shows but nine cases, yet it is to be remembered that only those instances of known and apparent intoxication are recorded as such. The number is probably much larger, but your Commissioners have hesitated to place any case under this head from probable evidence, and have only assigned this cause, when in their judgment the evidence has been clear and unmistakable as to the fact of intoxication.

Much credit is due the companies and those having charge of trains, for the care which has been exercised over the lines and the safety of the great number of persons who have been transported over the roads. The large number of soldiers, often requiring extra trains for their accommodation, has called for increased vigilance, which your commissioners are happy to report, has been appreciated and met by the companies.

The following table will show a classification of the accidents for the past year. It may not be improper to add in this place, that the whole number of persons in-

jured upon the railroads within the limits of Connecticut during the last ten years, is 328; of these were passengers, 26; employees, 69; insane, 10; children, 30; intoxicated persons, 71. Causes—Walking or lying on the track, 162; jumping on and off cars while in motion, 41; falling from cars, 15; at road crossings, 22. Of the whole number of these casualties 221 were fatal; not fatal, 107.

The largest number attended with fatal results in any one year are those of the year now closing. During this space of ten years there has been but one passenger life sacrificed while riding in the cars, although a few have been killed by jumping or falling from the trains while the same were in motion.

	1863.	1862.	1861.	1860.		1863.	1862.	1861.	1860.
Insane	1	2	1	—	Walking on track	20	24	16	26
Passengers	2	5	5	5	Falling from train	4	4	1	—
Employes	7	8	4	11	At crossing	2	—	6	6
Intoxicated	9	9	9	5	Not fatal	7	8	20	21
Children	4	4	4	6	Fatal	38	31	34	46
Jumping off or on cars	15	6	1	4					

New York.—In 1850 the Legislature of New York enacted a law requiring all railroad companies in the State to file with the State Engineer by the 1st of December in each year statements of their condition and business operations for the fiscal year ending Sept. 30th, and it was made the duty of the State Engineer to make abstracts of these reports in consolidated form, and to lay the same before the Legislature on its assembling in January.

In 1854 this law was amended by providing for the appointment of a Board of Railroad Commissioners, consisting of the State Engineer, one commissioner to be selected by the railroad companies, and one to be appointed by the Governor.

These Commissioners held office two years, when, on their own recommendation, the law was repealed, and the law of 1850 was re-enacted. That law is still in force.

Under this law the State Engineer lays before the Legislature annually the reports of all the railroad companies of the State, with compilations of the same. But his reports contain no recommendations or suggestions to the Legislature; nor is it made his duty to visit or inspect any of the roads of the State.

The only object gained by the Legislature of New York through this law is uniform and full reports from all the railroad companies.

From the reports of the State Engineer for the past six years, we take the following figures, showing the number of persons carried on the railroads (steam) of the State, with the number of persons killed and injured:

Years.	No. Passengers.	Killed.	Inj'd.
1859	12,138,059	112	77
1860	9,305,978	143	71
1861	8,684,189	147	83
1862	8,707,789	141	84
1863	10,765,631	182	91
1864	14,192,056	285	181

Pennsylvania.—In 1859 the Legislature of Pennsylvania passed a law requiring the railroads of that State to make uniform reports to the Auditor-General, whose duty it was made to furnish these reports, with condensed abstracts, to the Legislature on its assembling.

From the annual reports of the Auditor-General for the past five years, we take the following figures:

Years.	No. Passengers.	Killed.	Inj'd.
1860	5,726,597	...	...
1861	5,925,501	118	88
1862	7,05 ,805	175	226
1863	10 135,139	203	214
1864	14,252,218	325	386

MASSACHUSETTS.—Chapter 63 of the revised statutes of Massachusetts requires every corporation to submit its books to the inspection of any committee appointed by the Legislature. It also requires each company to furnish the Secretary of the Commonwealth with 1,000 copies of its annual reports, which are to be made according to blanks prepared by the Secretary and furnished to each company.

Section 133 of this law reads as follows:

> The annual report shall also state whether any fatal accidents or serious injuries have occurred to a passenger or other person upon the road during the year covered by the report, and if so, the cause of such accident or injury, and the circumstances under which it occurred.

A penalty of $50 for each day that the Company is behind in making its report is enforced, and a penalty of $5,000 is collectable for refusal to report. It is made the duty of the Secretary to furnish each railroad company with a bound copy of the reports of all the companies in the State.

From the reports of the Secretary of the Commonwealth for the past six years, we take the following:

Years.	No. Passengers.	Killed.	Inj'd.
1859	1 ,356,686	52	28
1860	1 ,801,097	46	28
1861	11,252,621	48	24
1862	12,020,315	72	15
1863	14,043,554	75	25
1864	18,206,023	82	31

WISCONSIN.—The Secretary of State, in his annual report on railroads gives the following statistics of accidents in 1864:

Year.	Passengers.	Killed.	Inj'd.
1864	1,992,893	38	14

CANADA.—During the year 1854 a number of very serious accidents occurred on the railroads of Canada, resulting in fearful loss of life. The matter was taken up by Parliament, and at its suggestion the Governor General appointed a Commission to examine into the causes of these numerous accidents, and to report on what means should be adopted to prevent their recurrence.

This Commission was in session several weeks, and took a mass of testimony, which, together with the report and recommendations of the Commission, were published by order of Parliament in 1855.

This report is too lengthy to admit of any comprehensive abstract here, but we might briefly state that it recommended the enactment of the British general railway act, and also the appointment of a Board of Railway Commissioners and of a Railroad Inspector, who was to be a professional civil engineer.

The recommendations contained 37 clauses, some of which were good, but, as a general thing, the whole were too cumbersome to be practically of any use.

GREAT BRITAIN.—The thorough system of inspection into the causes of all railroad accidents which occur in Great Britain, has enabled the Secretary of the Railway Department of the Board of Trade (Capt. Douglass Galton) to classify and arrange the accidents of the last year in a very striking manner.

Capt. Galton remarks:

From an examination of that table it appears that, out of 94 cases, 22 of them were attributable to purely accidental circumstances, but that in 10 only of these causes were accidental circumstances the sole cause of the accidents. The negligence of the employes entered into the cases of 86 accidents, but of these, negligence was the main cause of accident in only 16 cases. The remaining 68 accidents are chiefly attributable to defective arrangements, which may be classed as follows:

Defects in the construction of works or rolling stock; insufficiency of accommodations, or of appliances for securing safety; insufficient staff, and inadequacy in the system of working.

The following table, from the Report of the British Board of Trade, gives the number of killed and injured for six and a half years:

1857	776	1861	827
1858	446	1862	560
1859	384	1863—six months	169
1860	509		
Total			3,671

It is computed that about 1,000,000,000 passengers travelled on the English railways in that period, making the number injured average about one in 272,000. Many of these accidents could have been prevented. About two thirds of them were from collisions, and the majority of the others from running off the track.

RAILROAD ACCIDENTS IN THE UNITED STATES FOR A SERIES OF YEARS.

The total number of casualties by railroad accidents in 1865 was 1,762, of which 335 resulted in death, and 1,427 in wounds. In 1864 the number of casualties was 1,890, viz.: killed, 404; wounded, 1,486—a decrease in 1865 of casualties, 128; deaths, 69; wounded, 59. These figures do not include accidents where no lives were lost, accidents to individuals which were caused by their own carelessness or design, or deaths or injuries resulting from the recklessness of persons in crossing or standing upon railroad tracks when trains were in motion.

The following table exhibits the number of railroad accidents, with the number of persons killed and injured by such casualties during the past thirteen years.

Years.	Accidents.	Killed.	Wounded.
1853	188	284	496
1854	198	186	589
1855	142	110	539
1856	143	105	629
1857	126	130	536
1858	82	119	417
1859	79	129	411
1860	74	57	315
1861	68	101	459
1862	99	264	377
1863	89	264	671
1864	140	404	1,486
1865	182	335	1,427

ERRORS OF THE MARINER'S COMPASS.

BY I. H. UPTON.

Very early after the discovery and use of the compass or magnetic needle, the practical experience of voyagers demonstrated that it is not always the infallible and true guide at first believed.

The variations of the needle from the true north, arising from general as well as local causes, have attracted the attention of the scientific and curious, and weakened the confidence of hardy mariners who have perilled their lives in an abiding faith of its accuracy. The distrust created in the mind of the seaman has not been removed by the dissemination of trustworthy information in a popular form calculated to reach and benefit those whose interests are most deeply involved. Efforts have been made by theorists (some of them speculative and very unsound) to advance their own ideas by patented inventions and otherwise; still it is doubtful if much good has resulted, if we except the labors which have been carried on since the introduction of iron as a material in shipbuilding.

The north pole of the earth, geographically, is the south pole of a magnet supposed to pass from pole to pole. It attracts the north pole of the needle in the mariner's compass, and, owing to the convexity of the earth, causes what is known as the dip of the needle, by which the north end is deflected in northern latitudes, and the south end in southern latitudes. This influence extending to all the iron of which the ship is composed, tends to give south polarity to the upper ends of iron, and consequently to attract the north pole of the needle while the ship is in north latitude. In south latitude all this is reversed, the upper ends of the iron of which the vessel is constructed acquiring north polarity, and attracting the south pole of the ship's needle.

The deviations resulting from these causes are governed somewhat by the location of the compass. With the binnacle aft, the attraction will be towards the bows of the ship; with the binnacle placed forward, the attraction will be towards the stern. Thus a vessel in north latitude (excluding other causes), with the binnacle aft and steering east, would have the north pole of the needle deflected to the eastward, and, if steering east by compass, would be making a course south of the true east. If steering west, the needle would be deflected to the west, and the course made would be south of the true west. In south latitude, the magnetic influence is reversed, and a vessel steering east or west by compass would make a course north of the true east or west, as the case may be. The attraction, when steering north or south, being in a line with the vessel's keel, would not cause a material deviation, but, as it would vary at all the intermediate points of the compass, it should be the subject of careful observation by the intelligent commander.

To most persons it probably seems to be necessary to direct attention to the ship's compasses only when the vessel has reached her completion, or is about to encounter the perils of navigation. Recent experiments, however, show the importance of careful observation from the laying of the keel—for not only the position in which the vessel is built, but the density of the iron, and even the amount of hammering, are points which may control the direction of the needle, and have effect upon the compass.

Soft iron acquires magnetic properties with great facility, and parts with them as readily; while hard iron, by hammering, may acquire a polarity which it does not readily part with. The influence of the position in which a vessel is built is not confined to iron vessels, for wooden ones thus acquire a magnetism of their own, which frequently is not wholly lost until after numerous voyages. The loss of some vessels on their first voyage may have resulted from the unknown quantity of this disturbance.

It will be seen that the influences operating upon the needle within the vessel are varied by latitude and the direction or course made. The relative position of the mass of matter composing the vessel has an important bearing. Thus a ship heeled to port would in north latitude have the needle deflected to the starboard, owing to the increased mass of matter brought into the line of attraction—the reverse occuring if she was heeled to starboard.

Two means have been chiefly adopted to correct the errors which may result from deviations of the needle. First, antagonizing the ascertained errors by compensating influences, in the shape of local magnets or masses of soft iron, so placed as to cause the needle to point correctly, or nearly so. Second, swinging the vessel in a position remote from extraneous influences, and carefully noting the deviations on each point of the compass, which, noted and compiled in a table of corrections, enable the master to calculate his true course in much the same manner as he calculates time by his chronometer, knowing the rate.

Of the merits of the two systems we make no comparison, for while either may afford correct indications at the place where the vessel is swung, both are subject to be controlled by magnetic influences of so varing a nature as to debar us from placing implicit confidence in either. The tabular method may be the means of accumulating important data for future comparison, and were the corrections by compensation always arranged at the same place, and a careful record of each vessel kept, it would be the means of accumulating a store of facts for future use and reference.

Provision for a correct knowledge of the errors of the compass should begin with the shipbuilder, who may do much to neutralize the effects of inherent magnetism of vessels. It seems now to be demonstrated that vessels should be built, as far as practicable, with their sterns or bows to the south, and metalled in a reverse position. The binnacle should be remote from any upright masses of iron, masts or funnels, and not over horizontal beams of iron. The shipmaster should make himself familiar with the local causes of deviation of the needle; and, while using either the plan of compensation or of tabular corrections, should be constantly on the watch for the various counteracting influences to which his vessel may be exposed, by change of latitude, by proximity to coasts, by heeling to port or starboard, or by the influence of cargo having magnetic power.

Constant care and watchfulness is required of the intelligent commander in this as well as his other duties, and if in doubt as to his position, he should always head off shore until assured of his reckoning. The observance of this precaution would have saved a number of valuable vessels recently lost on our coasts, as well as many lives.

MERTHYR AND ITS IRON WORKS.

The mining districts of South Wales are situated in the midst of a number of valleys, stretching from the northern parts of Glamorganshire and Monmouthshire, in the north, to the Bristol Channel, in the south. The largest ironworks and collieries of Wales are, as a rule, to be found near the upper parts of these valleys, at distances of from 15 to 25 miles from the sea, and separated from each other by intervening ridges of hills. Thus, there are the Vale of Neath, the Aberdare Valley, the Merthyr Valley, Rhymney Valley, Ebbw Vale, and many others, all lying nearly parallel with each other, and opening in the direction of the sea. Railways or canals, or both, run down these valleys, in many instances amalgamating with each other as they reach the more level ground in the south, and they finally terminate either in Cardiff, Swansea, or Newport, the three great shipping ports of South Wales, Cardiff being the central and most important. A little of the traffic of the iron districts also finds outlets at Neath and Briton Ferry.

The largest and richest of the Welsh ironworks are at Merthyr, which lies at the head of the Taff Vale, and is connected with Swansea by the Vale of Neath branch of the Great Western Railway, the Glamorganshire Canal and the Taff Vale Railway uniting it with the port of Cardiff. Merthyr is rapidly increasing in population, and now ranks in the census returns next to Brighton. On both sides of the town high ranges of hills cut it off from the neighboring valleys of Aberdare and Rhymney; the sides of these hills are defaced by great heaps of refuse from the mines and works; railways and tramroads cut up the district in all directions, and rise one above the other at different levels on the sides of the mountains. Huge chimneys are seen belching forth smoke by day and fire by night; while in the buildings beneath them, swarthy beings toil amidst fires and furnaces, surrounded by ponderous masses of machinery. From the hilly nature of the country, and the large ironworks in the immediate neighborhood of the town, Merthyr by night presents a spectacle of fiery magnificence rarely if ever equalled.

The people who labor in this black and fiery region hold their lives on a somewhat precarious tenure, the returns of the Registrar-General showing that the mortality in the Welsh iron districts is greater than anywhere else in the United Kingdom. This is partly caused by the nature of the occupations of the inhabitants, partly by the extra liability to accidents, partly by want of drainage, and partly by drunkenness and want of cleanliness in a population continually increasing by new comers, who cannot find employment in Ireland or the Welsh agricultural districts. The wealth of Merthyr is derived from the three large works in the neighborhood: the Dowlais Ironworks, the largest in the world; the Cyfarthfa Works, the property of the Crawshay family, the "Iron Kings" of Wales; and the Plymouth and Penydarran Works, recently purchased by the Plymouth Iron Company.

The Glamorganshire Canal, by which route alone goods were once carried from Merthyr to Cardiff, is 25 miles in length, and was opened in 1798. It has a fall of from 500ft. to 600ft., has 40 locks, cost £100,000, and has a branch to Aberdare. The Taff Vale Railway, one of the best

paying lines in the kingdom, also runs from Merthyr to Cardiff, and was opened in May, 1841. As it passes through a very hilly country, it has plenty of heavy bridge work, and at Navigation Junction the trains have to be drawn, locomotives and all, up a steep incline by means of a stationary engine and ropes. At the present time some heavy work is being executed, whereby the gradient will be rendered less steep, and the stationary engine abolished. The broad guage afterwards reached Merthyr by the Vale of Neath line in 1852, and within the last year or two railways from Abergavenny and Brecon have been constructed to within a few miles of Merthyr, their further progress being retarded by the difficulties and expenses of the route.

In former times, as at present, Merthyr was very unhealthy, and Dr. Wm. Kay, of Bristol, after making an official investigation of the subject, calculated that in 1851 the average age at death in Merthyr was 17½ years, being rather less than half the average length of life in the healthiest district in the kingdom. Typhus fever and cholera habitually made deadly ravages in the town, and as soon as the Public Health Act came into operation in 1850, it was found absolutely necessary to supply Merthyr and Dowlais with water. The works since constructed consist of the Pentewyn reservoir upon the river Taff Vechan, where it acts as a compensation reservoir for the ironmasters. It is about six miles from Merthyr, and contains, when full, 63,000,000 cubic feet of water, covering an area of 100 acres. The town is supplied with water direct from the river Taff Vechan above the reservoir, whence the water is delivered by 14in. pipes at Penbryn, about a mile from Merthyr, where depositing tanks, filter beds, and a covered reservoir are constructed. From this place the whole of Merthyr and Penydarren are supplied by gravitation, but for the upper part of Dowlais the water is pumped by two engines of 14-horse power each, made by the Vulcan Iron Company, Warrington, delivering it into a small covered reservoir at Dowlris. The total length of pipes of various sizes, from 14in. to 2in. in diameter, is 42 miles. The total cost of the whole of the reservoirs and works was £82,000.

At present there is a break at Merthyr between lines of railway that will in future more directly unite North and South Wales. The railways striving to enter Merthyr meet with great difficulties from the mountainous nature of the ground and general heavy expenses. The London and Northwestern Railway Company propounded a scheme last session to unite the Merthyr and Abergavenny line with the Vale of Neath Railway. For various commercial reasons this project has been abandoned. The plans included a very large and expensive viaduct, besides which the proposed line was forced to make an ascent of 700ft. in a distance, in a straight line, of a little more than two miles, an ascent which with difficulty could be overcome by gradients of 1 in 40. The Brecon and Merthyr Railway Company is now making the link which will supply North and South Wales with more direct communication than hitherto by means of the Cefartha branch, which will connect the Vale of Neath and Taff Vale Railways with the Merthyr Railway. This branch, although a short one, is a very expensive length, and requires two noble stone bridges or viaducts, upwards of 100ft. in height, and consisting respectively of fifteen and seven arches of 40ft. span over the rivers Taff Vawr and Taff Vechan at Cefn and Pontsarn. Both bridges are built of the

limestone of the district, but are not yet quite finished. The contractors for the line are Messrs. Savin and Ward, who with Messrs. Watson & Co., and Messrs. Davies & Roberts, have within the last few years been covering Wales with railways in all directions, principally at their own expense. When the Cyfarthfa branch of the Brecon and Merthyr Railway is finished it is almost certain that the London and Northwestern Railway Company will obtain running powers over it, whereby trains can come direct into Merthyr from Euston square, *via* Abergavenny.

Another great work of the future in Merthyr is the drainage of the town and district, which has not yet been commenced, notwithstanding the large population. The plans prepared by the town surveyor, and passed by the Government engineers and the Secretary of State, provide for the entire sewage of Merthyr and Dowlais, and for the disposal of the sewerage by irrigation in the surrounding country. These plans appear to be very complete, and include 10 miles of oval brick sewers of from 30in. to 50in. in diameter, and 19 miles of pipe sewers of from 9in. to 12in. in diameter. Flood outlets are projected for discharging any surplus of water in times of storms and heavy rains.

A new feature in the trade of Merthyr is that within the last few years the ironmasters have entered into the coal trade. Large quantities of coal are exported to all parts of the world by the Dowlais Iron Company, and Mr. R. T. Crawshay is making preparations to enter into a similar business. It is a curious fact as regards Merthyr, that although coal and iron are so plentiful on the spot, and the whole country is alive with locomotives and engines, all the best steam machinery connected with the ironworks is made at a distance and brought to Merthyr by rail. Neither are the smaller description of iron goods manufactured on the spot, and in many instances the identical iron made in Merthyr and sent to England has been traced back to Merthyr and South Wales in the shape of manufactured goods. The manufacture of nails, wheels, and axles, iron hurdles, and other iron goods in large demand in the surrounding country, is not carried on at all, or to any extent worth noticing, in the Welsh iron metropolis.

COMMERCIAL LAW.—NO. 31.

MARINE INSURANCE.

(Continued from page 115, vol. 54.)

Revocation of Abandonment.

An acceptance of an abandonment makes it irrevocable, except with the consent of the insurers. But the insurers may assent; and the assured may, by his acts, revoke his abandonment, and then the insurers, by words or by their silence, assent. As if the ship be sold as a wreck, and the insured buys it himself, and treats it as his own, either by selling it as his own, or sending it on another voyage, if he had abandoned the ship, this would be a revocation of the abandonment.

It is a different question, whether subsequent events can have the effect of revocation, and make void an abandonment which was justified by facts, and rightly made in point of form, at the time. The rule, we should say,

wa', that no subsequent events could thus annul an abandonment. But if, for example, a vessel is stranded and in a dangerous position, and the owner, hearing of it, abandons, and the next hour he hears of her safety, by reason of a favorable change of wind, or some unexpected deliverance, it may be said that he had not, in fact, a right of abandonment at the time he made it. The subsequent facts did not take the right away, but only proved that it never existed. This conclusion may seem to conflict with the rule that the right to abandon depends upon the appearance of things at the time; this is, however, their appearance when carefully and wisely considered; and such events would go to show that there had not been a careful and wise consideration of all facts and possibilities. For, if it was certainly justified at the time, and then well made, it cannot be in the power of any mere change of circumstances to annul it.

General Average.

The general principle upon which the universal rule of general average rests, is reasonable and just, and very simple.

The rule, as already stated in the chapter on the Law of Shipping, is this. If many interests or properties are in peril, and one or more of them are wholly or partially sacrificed for the purpose of saving the rest, all that is thereby saved must contribute towards indemnifying the owner of that which was sacrificed.

He is not to be indemnified in full; for then he would be better off than those who contribute; he would gain by the fact that, in a common peril, his property was selected to be made the price of the common safety. But there is no reason why he should gain; justice is perfectly satisfied if he is made to suffer no more than the rest do. And this end is attained by the law of general average, because it adds together the whole loss, and considers it the loss of all who were in peril and saved from peril by the loss, and therefore assesses the whole amount of the loss, ratably, upon the whole property that is saved; and in this way, every one interested loses an equal proportion of that which was successfully sacrificed for the common good.

This subject belongs primarily to the law of shipping, and comes within the scope of the law of insurance only when any of the property which is lost or saved is insured.

If an owner of property is insured, and other property is sacrificed to save the insured property from a peril common to it and to the sacrificed property, the insured property must pay such indemnity for the sacrificed property as will make them suffer alike. And the amount thus paid or contributed by the insured property is a loss by a sea peril, for which the insurers are liable.

On the one hand, the insurers of the sacrificed property are under an obligation to pay for the loss thus made or incurred voluntarily, because it was not only the right, but the duty, of the master and crew to destroy a part rather than let the whole perish. It was, therefore, a loss by a peril of the sea, although purposely caused for the benefit of others; and the insurers must pay for it.

On the other hand, the owners of the property sacrificed acquire by its sacrifice a claim for contribution and indemnity; and if the insurers pay them for their loss, they acquire their claim for contribution. And this

they take advantage of, in some cases, by deducting it from the amount they pay, and in other cases by first paying all the loss, and then collecting all the contribution for their own benefit. We have already seen that the insurers cannot deduct the contribution for the purpose of bringing the loss below 50 per cent., and thereby preventing an abandonment.

Partial Loss.

A partial loss is simply a loss of a part, and not of the whole. The principal questions relating to it arise out of the rule of one-third off, new for old, which has been already spoken of. We repeat the rule, with the reason of it. A ship sails to-day with new copper. Another sails with her copper nearly worn out. Both meet with peril which requires new coppering. The first is new coppered, and the insurers pay for it, and the insured gains nothing, because the copper on her was worth as much as it is now. The second is also coppered, and the insurers pay for it. But this ship gains nearly the whole value of the copper put on, because the old copper was worth very little. Now the whole purpose and principle of the law of insurance is to *indemnify* the insured, or make his loss good, and no more. Formerly they tried to do it by finding out in each case how much the old materials had lost of their value. But this was found so difficult that it was agreed upon by merchants and insurers to *average* all the cases, and consider that all old materials had lost one-third of their value. And the rule is found to work well in practice.

The first effect of this rule is, that the thing, or the part lost or injured, whether it be new or old, must be replaced or repaired in adaptation and conformity with the vessel, in the same way in which it would be if she were properly repaired at the owner's port, by his orders.

This third part is generally, and we think rightly, deducted from dockage, moving the ship, and similar expenses, provided they are incidental to the main purpose of repair.

Whether the value of the old materials should be deducted from the expense of repair, or from the amount for which the insurers are liable, *after* the the third "new for old" is taken off, may not be settled by authority; but we think the rule should be as follows. If a sea peril makes it necessary to recopper a vessel, and the cost will be $9,000, and her old copper is worth $3,000, we should say that this should be deducted, leaving $6.000, for two-thirds of which only ($4,000), one-third being off, new for old, the insurers would be liable. The other way would be for the insurers to say: "We are liable for $9,000 less one-third,—that is, for $6,000,—and the old copper is ours by way of salvage; and as this is worth $3,000, we are in fact liable only for the balance, or $3,000." By this last rule, the insurers would pay $1.000 less than by the first. The first rule, namely, that the old materials should *first* be deducted from the expense of repairs, and then one third be deducted from the balance, seems now to be established in New York and in Massachusetts.

If an owner effects insurance on a part only of the value of the property insured,—as if for $5,000 on a ship valued at $10,000,—he is insured for half, and is his own insurer for the other half, and he recovers in the same proportion from the insurers in case of a partial loss. Thus, if there be a partial loss of sails and rigging, or of repairs, amounting, after one-third is deducted, to $2,000, one-half of this is the loss of the insurers, and they pay it to him, and one-half is his own loss.

The insurer takes no part of the risk of the market, and his liability is the same whether that rises or falls, although this may make a great difference as to the amount lost by the insured. What goods have lost from their original invoice value, is the amount which the insurer pays. Thus, if he insures $10,000 on goods of which that is the original value, and they are so far damaged by a sea peril that, at the port of discharge, they bring, or are worth, only half of what they would have brought if they had not been damaged, the insurers are liable for $5,000, or that half, although the goods thus damaged may bring in the market of arrival the whole of their invoice cost, or more. And if they bring but a quarter of it, the insurers pay no more than one-half, because the rest of the loss is caused by the falling market.

If the goods have sustained damage or loss by leakage, or by breakage, or by natural decay, or from inherent defect in quality,—that is, not by a sea peril,—before the partial loss occurs, a proportional deduction should be made from the partial loss, as the insurers are liable only for the injury resulting from that loss, and not for any part of that which already existed when the loss took place, or which has occurred since from causes against which they did not insure.

Adjustment.

We have spoken of adjustment in the chapter on the Law of Shipping, and here add only, that an adjustment of an insurance loss, with all its incidents of general average, salvage, and the like, is usually made in all commercial cities by persons whose profession it is to make adjustments, and usually in a similar form, although the law prescribes no particular form or method.

They are instruments of much importance, because they generally are made, and ought always to be made, at the first port of discharge after the loss occurs; and an adjustment made there, in good faith, with a sufficient knowledge of the circumstances, and by persons properly employed to make it, is binding on all interes s and parties.

If the insurers refuse to pay a loss, they waive all the adjustment, and the insured may present a new one, more favorable to themselves, if the law of insurance will sustain it.

Our policies commonly contain a provision that the loss shall be paid so many days after proof and adjustment of loss. But if the insurers refuse to pay, or dispute the claim, no other adjustment is necessary, either for trial, judgment, or execution, than that made by the jury.

If no repairs are actually made, but the loss which calls for repairs is to be adjusted, the third off, new for old, is to be deducted from the estimated cost of repair, in the same way in which it would have been from the actual cost.

The insurers may sometimes be liable for more than a total loss, as in some cases of contribution, for which they are liable, followed by a total loss, for which they are also liable; or where expenses were properly incurred by the insured, under the provisions of the policy, and a total loss occurs afterwards. We should say, also, that there might be a partial loss repaired and paid for by the insurers, and then a total loss under the same policy, for which they would be liable, without having the right of demanding a deduction or set-off of what they had paid on the partial loss.

Our policies provide, usually, that any unpaid premium, or other sums due from the insured, shall be deducted from the amount payable to the insured. Indeed, the common rules and practice of the law of set-off would lead to a similar result. But the right is limited to demands which the insurers have against the insured himself, and is not extended to those which they may have against the agent employed by the insured to effect the insurance. The premium note frequently expresses that the insured will pay, not only the premium, "but any premiums or balances due to the insurers," or uses other language to the same effect. Such a note is a valid contract, but, although made payable to order, it cannot be, on general principles, a negotitble note; and therefore an indorsee must, in most of our States, sue it in the name of the insurers, and in all be subject to equitable defences.

DEBT OF NORTH CAROLINA

The situation of North Carolina, though one of present embarrassment, cannot long remain so. With a population of one million of people, an area of about thirty millions of acres capable of raising crops of which the South has a monopoly, it must be apparent that, as soon as her labor system is reorganized and her banking and transportation facilities recuperated, taxes which now press heavily will be easily paid.

We are indebted to Mr. Battle, the Treasurer of North Carolina, for a statement of the debt and assets of the State from which we have compiled the following. The amount of the bonds issued previous to the act of secession May 20, 1861, was $9,749,500, as given in detail below. On these securities there is now past due and unpaid coupons to the amount of about three million of dollars, which the Treasurer proposes to fund into 6 per cent bonds and which will make the total ante-war debt $12,749,500.

For what purpose issued.	Principal. Issued.	Principal. Due.	Interest. When.	Interest. Where.	Amount out'g.
Bank debts	...	now	.....	R'gh.	$58,000
F. & Wtn. Plank Road. *reg'd*	'49–'52	'69–'72	.....	"	120,000
Gaston & Weldon, R. R., etc.	'54–'55	'64–'65	Jan. & July	N. Y.	152,000
North Carolina, R. R.	'53–'55	'82–'85	Jan. & July	N. Y.	2,000,000
do do	1855	1885	Apr, & Oct.	N. Y.	1,000,000
F. & Centre Plank Road	'55–'58	'75–'78	Apr. & Oct.	N. Y.	31,000
do do	'56–'58	'76–'78	Jan. & July	N. Y.	19,000
F. & Warsaw Plank Road	'55–'57	'75–'77	Jan. & July	N. Y.	10,000
Tar River	1856	1886	Jan. & July	N. Y.	15,000
Insane Asylum	'56–'58	'66–'68	Jan. & July	N. Y.	100,000
do	1857	1867	Apr. & Oct.	N. Y.	15,000
do	1859	1869	Jan. & July	N. Y.	10,000
Atlantic & North Carolina R. R.	'56–'57	'86–'87	Jan. & July	N. Y.	1,066,500
do do do	1857	1887	Apr. & Oct.	N. Y.	400,000
Albemarle & Chesapeake Canal	'57–'59	'87–'89	Apr. & Oct.	N. Y.	350,000
Western R. R.	'59–'60	'89–'90	Apr. & Oct.	N. Y.	300,000
do do	1860	1890	Jan. & July	N. Y.	100,000
Western North Carolina R. R.	'58–'60	'88–'90	Jan. & July	N. Y.	530,000
do do do	'57–'60	'87–'90	Apr. & Oct.	N. Y.	668,000
Wilmington, Char. & Ruth. R. R.	1860	1890	Jan. & July	N. Y.	400,000
do do	'60–'61	'60–'61	Apr. & Oct.	N. Y.	650,000
Certain purposes	1859	1869	Jan. & July	N. Y.	72,100
do	1860	1870	Jan. & July	N. Y.	94,900
do	'59–'60	'89–'90	Jan. & July	N. Y.	714,500
do	1859	1889	Apr. & Oct.	N. Y.	478,500
Cape Fear & Deep River	1860	1890	Jan. & July	N. Y.	100,000
do do (ass'd)	1855	1885	Jan. & July	N. Y.	100,000
do do (do)	1856	1876	Jan. & July	N. Y.	100,000
do do (do)	1856	1886	Jan. & July	N. Y.	100,000
Total issued before May 20, 1861					$9,749,500

All of the above bear interest at the rate of 6 per cent per annum.

Against the above debt the State has assets as follows:

Stocks in R. R's, &c., viz:		
North Carolina Railroad		$3,000,000
Raleigh & Gaston Railroad		682,500
Atlantic & North Carolina Railroad		1,066,000
Western North Carolina Railroad		1,418,000
Albemarle & Chesapeake Canal		350,000
Bonds in R. R. &c. viz:		
Raleigh & Gaston Railroad	$20,000	
Wilmington, Charleston & Rath. Railroad	2,000,000	
Western (Coalfield) Railroad	600,000	
City of Raleigh	48,000	
Interest on these to January 1, 1866	307,623	
Balance due on bonds of Atlantic & North Carolina Railroad Company	181,165	3,156,790
Total assets		$9,673,290

If we deduct this amount from the debt of $12,749,500 it leaves $3,086,210 as the balance of State indebtedness. With regard to these assests the Treasurer states that although some of them are at present unproductive, yet he believes that under the revival of trade and travel they will to a great degree relieve the burden of the public debt.

The following is a list of six per cent bonds in aid of internal improvements issued by the State during the war which will probably be assumed by the new State Government as a part of the debt to be paid:

For what purpose issued.	Principal Issued.	Principal Due.	Interest When.	Interest Where.	Amount Outstan'g
Western Railroad	1861	1891	Ap. & Oct.	Raleigh	$200,000
Western N. Carolina RR.	1861	1891	Ap. & Oct.	Raleigh	220,000
Wilmington, Charleston & Ruth. RR.	1863	1893	Jan. & Jly.	Raleigh	950,000
Chatham Railroad	1863	1883	Jan. & Jly.	Raleigh	249,000
Internal improvements bonds, &c.					$1,619,000

During the war the State also issued for other purposes the following:

For what purpose issued	Principal Issued.	Principal Due.	Interest Rate.	Interest When.	Interest Where.	Amount Outstand'g.
Defence	1862	1892	6	Jan. & Jly.	Raleigh	$ 136,500
Ways & Means*	1863	1893	6	Jan. & Jly.	Raleigh	6,941,500
Confederate Tax	1862	1883	8	Ma. & Sep.	Raleigh	1,364,500
Defense†	1862	1882	8	Ma. & Sep.	Raleigh	4,429,000
Total war debt						$12,871,500

It is worthy of note that $1,000,000 of the bonds marked *, and $500,000 marked † were transmitted to Europe for hypothecation.

From the above, it appears that the position of the State finances is at present about as follows:

RECAPITULATION.

Old debt due and unpaid	$ 364,000
" not matured	9,385,500
Coupons past due and unpaid	3,000,000
Total ante-war debt	$12,749,500
Add debt for internal improvement during the war	1,619,000
Total debt	$14,368,000
Deduct assets	9,673,290
Balance	$ 4,694,710

If, therefore, the Treasurer is correct in his belief with regard to the value of the above assets the burden of the debt will prove very light.

ANALYSES OF RAILROAD REPORTS. No. 6.

I. New York & New Haven Railroad.—II. Hudson River Railroad.—III. Erie Railway.

NEW YORK AND NEW HAVEN RAILROAD.

The New York and New Haven, in connection with the New York and Harlem Railroad, forms the only outlet from New York City eastward. Using that portion of the New York and Harlem from the city to Williamsbridge Junction about 15 miles—

—it extends thence to the depot at New Haven	61.13 miles
To which must be added for tracks connecting the main line with other roads coming into New Haven	1.12 "
Making the length of road owned by the company	62.25 miles
Second track and sidings	63.82 "
Total equivalent single track	126.07 miles

Of the line only 14.14 (double) miles are within the State of New York, the remainder, 48.11, (double and single) miles being in Connecticut. The company operate under lease the New Haven and Northampton Railroad, which hitherto has been operated at an annual loss, the amount of which has been paid from the earnings made by the New York and New Haven Railroad and, in the subjoined statements, appears as a charge against profits.

The New York and Harlem Railroad Company receive, for the use of their road between New York city and Williamsbridge Junction, a share of the receipts from passengers and freights carried over it, the rate being ascertained and fixed by agreement every succeeding fifth year.

As the main trunk, which receives all the lines from the east, this road has been a profitable line, and has always earned dividends. The losses on the Northampton lease, however, have on several occasions crippled the company's means, and eaten up what otherwise would have been divided to the stockholders. The company have also had to pay largely on account of the Norwalk Bridge accident, the total amount having been nearly $400,000; and then again, the President and Transfer Agent in New York, in 1854, made an issue of fraudulent stock to the amount of $2,100,000, for which the company has recently been adjudged liable and will pay by new issue of stock. Somewhat more than half the amount had been taken up by compromise at 50 per cent of par and paid for in stock before the judgment was pronounced. Still with all these drawbacks the earnings, if on the same proportionate scale as of the past few years, will be sufficient to pay moderate dividends on the capital when enlarged to $5,000,000 as proposed.

EQUIPMENT.

The *equipment* or *rolling-stock* owned by the company at the close

of each of the last ten fiscal years (September 30), has been as follows:

Fiscal Year.	Loco-motives.	Cars (rated as 8 wheel). Pass.	Mail &c.	Frei'gt.	Tot'l
1856	26	74	18	329	421
1857	27	73	19	333	425
1858	29	73	19	349	440
1859	29	74	19	349	442
1860	29	74	19	349	442
1861	32	74	19	349	442
1862	32	74	20	349	443
1863	27	83	23	369	475
1864	31	83	23	414	520
1865	34	85	23	409	517

BUSINESS OF THE LINE.

The mileage of trains, the number and mileage of passengers, and the tonnage and mileage of freight have been as follows:

Fiscal Year.	Train Mileage. Passenger.	Freight.	Passengers. Number.	Mileage.	Freight. Tons.	Mileage.
1856	391.077	84 616	1.058.914	39.5 2.4-4	81.834	4.232.744
1857	379.330	94.453	1.027.152	38.295 851	86.391	4.470 747
1858	353.414	78.610	953 819	32.908.956	64.058	3.715.364
1859	357.293	83.389	1.003.074	35.644.895	85 338	4.238.430
1860	379 194	99.274	1.091 807	37 897.502	78.691	3.909.502
1861	395 040	76.413	1.014.686	35.201.978	51 8.4	2.573 935
1862	420.967	84.028	1.047.947	37.279.444	70.782	3.652.168
1863	433 356	101.731	1.271.970	45.729.465	79 177	4.354.298
1864	503.374	103.787	1.709 618	63.302.669	114.357	6.201.498
1865	535.529	103.680	1.885.574	70.137.863	107.818	6.200.750

The following specifies the quantity of each description of freight (tons), carried over the road in each of the last nine years:

Fiscal Year.	Products of. Forest.	Animals.	Veg'ble Food.	Agri'ral Products.	Manufactures.	Merchandize.	Other Articles.	Total Tons
1857	1.156	2.322	1.340	1.390	39.049	40.068	1.066	86.391
1858	890	2.058	1.384	882	31.426	26.476	942	64.058
1859	428	6 340	1.606	7.016	38. 03	35.933	762	85.338
1860	383	5 869	1.547	6.475	30.785	32.962	677	78.691
1861	251	3.850	1.008	4 887	19.123	22.732	478	51.824
1862	304	5.283	1.393	5.987	26.096	31.079	640	70.782
1863	340	5.938	1.578	6.734	29 308	34.895	454	79.177
1864	578	8.572	2.287	9.716	42.310	50 214	685	114.357
1865	497	8.108	2.051	9.088	40.160	47.831	598	107.818

REVENUE ACCOUNTS.

The *gross earnings*, *operating expenses* and *profits* from transportation yearly for the ten years ending September 30, 1865, were as follows:

Fiscal Year.	Gross Earnings. Passenger.	Freight.	Other.	Total.	Operating Expense.	Profits or Revenue.
1856	$ 784,689	$175,016	$47,968	$1,007,666	$558.128	$449.538
1857	804.958	196.529	56.358	1.057,155	575,553	481.602
1858	645,255	141.407	49.950	836,612	532,478	304,134
1859	749,593	187.919	54.892	992,404	550.459	441.945
1860	800,182	186.540	63,046	1.049.768	549.275	500,493
1861	726,287	129,339	64,479	920,155	544,439	375.716
1862	758,925	165,805	72,521	995,251	541,881	453 370
1863	1.030,434	187,804	80.351	1.298.589	609.265	689,324
1864	1,481,038	275.749	83,647	1.840,434	904.887	935,547
1865	1,725,184	316,835	99,878	2,141,897	1,544.721	497,176

The above profits were distributed as shown in the following statement:

Fiscal Year.	Harlem RR share of receipts.	Loss on N H and N R R.	Interest on Bonds.	Other payments.	Dividends on Stock.	Carried to surplus.	Surplus Fund Sept 30.
1856	$ 88.419	$21.506	$131.708	$6.371	$.....	$206.534	$206,534
1857	84.631	26.000	172,578	27.858	90,000	80,539	287.073
1858	75.024	23.000	142.640	8,062	.....	45.407	342.480
1859	82,761	22.822	142.585	.....	90,000	93,717	436.197
1860	87,951	16,291	14 .195	.....	.....	251,056	687.253
1861	94.557	43.499	129.448	.....	180,000	.....	615,465
1862	97,951	23.842	125.830	.....	180 000	26,256	641.721
1863	112,746	19,699	129.130	.....	300.000	67.828	709.549
1864	144,143	21.716	129.190	.....	412.884	297,684	937.233
1865	187,654	42,076	129,130	.....	253,425	.....	922,134

GENERAL ACCOUNTS.

The *financial condition* of the company at the close of each fiscal year 1856-1865 both inclusive is shown in the following statement:

First Year.	Stock paid in.	Funded Debt.	Floating Debt.	Surplus Fund.	Total Amount.
1856	$2,980,839	$2,159,500	$1,097	$206,534	$5,350,910
1857	2,980,839	2,159,500	168,740	287,078	5,591,159
1858	2,980,839	2,163,500	30,551	342,480	5,517,370
1859	2,980,839	2,163,500	21,152	436,197	5,601,656
1860	2,980,839	2,104,000	19,889	687,253	5,791,981
1861	2,980,839	1,890,000	22,639	615,465	5,508,943
1862	2,980,839	2,000,000	69, 26	641,721	5,691,696
1863	2,980,839	2,000,000	121,223	709,721	5,811,783
1864	3,197,539	2,000,000	125 622	937,223	6,660,394
1865	3,600,429	2,000,000	125,622	922,134	6,648,196

Against which are charged as follows, viz.:

Fiscal Year.	CONSTRUCTION ACCOUNT. Cost of road & Equipment.	Equipm't on N.H.&N.RR.	Schuyler Fraud.	Total Charged.	Cash and other assets.
1856	$4,972,769	$80,619	$137,528	$5,170,916	$179,994
1857	5,040,085	80,619	137,528	5,258,232	332,920
1858	5,106,380	80,619	137,528	5,324,527	192,843
1859	5,112,339	80,619	137,528	5,330,486	271,172
1860	5,166,137	80,619	137,528	5,384,284	407,697
1861	5,201,360	80,619	137,528	5,419,507	89,476
1862	5,201,378	80,619	137,528	5,419,525	272,171
1863	5,233,792	80,619	137,528	5,451,939	359,844
1864	5,357,673	80,619	754,228	6,192,520	567,874
1865	5,477,485	80,619	757,128	6,315,232	332,963

The funded debt of the company, amounting to $2,000,000 as above, consists of two series of bonds, viz.:

6 per cent mortgage bonds—interest April & Oct.—due Oct. 1, 1875 ..... $1,088,000
7 per cent plain bonds " June & Dec.—due Dec. 1, 1866 ..... $912,000

The mortgage bonds are dated Oct. 1, 1855, and may be issued to the extent of $6,000,000. The 7 per cent plain bonds were issued at various dates in 1852, 1853 aud 1854.

The capital stock authorized by the company's charter was $2,000,000 with authority to increase it to $3,000,000. Under this authority the original amount of $2,000,000 was increased by vote of the stockholders November 10, 1846 to $2,500,000 and again by similar vote, August 13, 1851, to $3,000,000. The whole was subscribed but only $2,980,839 paid in. The further increase to $5,000,000 was authorized by special act of the legislature of Connecticut for the purpose of paying off the claims of the holders of the fraudulent stocks issued by Schuyler.

The Company include the Schuyler Fraud losses in the construction account. The first $137,528 is covered up among "contingent expenses."

DEDUCTIONS.

The following table shows the cost of road and equipment per mile, the earnings, expenses and profits per mile, the relation of earnings and expenses and the rate of dividend paid in each of the ten years 1856–1865 both inclusive:

Fiscal Year.	Cost of road. & equipment per mile.	AMOUNT PER MILE. Gross earn'gs.	Operat'g expenses.	Revenue Profits.	Exp. to earn'gs per ct.	Prof. to cost of road.	Div'd paid yearly.
1856	$79,244	$16,122	$10,696	$5,426	66.34	6.84	nil.
1857	80,653	16,914	10,562	6,352	62.44	7.87	3
1858	81,702	13,385	9,720	3,665	72.62	4.48	nil.
1859	81,797	16,078	10,181	5, 47	63.01	7.27	3
1860	82,668	16,795	10,195	6,600	60.77	8.02	nil.
1861	83,221	14,729	10,232	3,490	69.50	4.19	6
1862	83,221	15,923	10,229	5,694	64.24	6.84	6
1863	83,741	20,777	11,552	9,225	55. 0	11.02	12
1864	85,723	29,446	16,784	12,662	57.00	14.77	12
1865	87,640	34,270	24,715	9,755	72.12	11.13	7

In the last table the amounts paid to New York and Harlem Railroad Company have been considered as part of the operating expenses. In the "revenue accounts" previously given the form used by the company is adopted, and the payments considered a companys dividend on the capital invested in the portion of the road over which the New Haven trains are passed. The losses on the Northampton lease are against the company's profits, and not against the earnings of this road, and hence are not included as expenses.

The New York & New Haven Railroad Company was chartered under an act of the Legislature of Connecticut, passed June 20, 1844, and was organized May 19, 1846. In September, 1847, the construction of the road was commenced, and continued without interruption to its final completion, in January, 1849, when it was opened to the public. A second track was laid in 1853–4.

The portion of the road within the State of New York was authorized by the Legislature thereof in 1846. By an agreement with the New York & Harlem Company, made March 17, 1848, the New Haven Company was conceded the right to run their cars over the road, namely between Williamsbridge Junction and the city of New York. For this privilege the New Haven company pay a specific charge for passengers, and a *pro rata* charge for freight, the amount being subject to revision every five years. The payments under this contract have averaged $105,084 for the past ten years—the lowest payment (in 1858) having been $75,024, and the highest (in 1857) $187,654.

In 1848 the Company contracted to lease, maintain, and operate that section of the New Haven & Northampton Railroad, (extending from New Haven to Plainville, 47 miles,) from the 1st July, 1849 to 1869, and pay as rent the sum of $45,000 per annum. In 1850 another contract was entered into concerning the remainder of the same road to the Massachusetts line, (including its branches) in all about twenty-eight miles, for which the New Haven Company agreed to pay $40,000 per annum. The loss on the latter contract has been very large, amounting in the last ten years to $270,441, or an annual average of $27,044. The portion of the Northampton line in Massachusetts was constructed by an independent company, but subsequently consolidated with the New Haven & Northampton Railroad. This also is operated by the New Haven Company. The connection between the New York & New Haven and the Hartford & New Haven Railroad Companies is based upon an agreement made April 30, 1849. Under this agreement the discontinuance of the day line of steamboats between New York and New Haven was effected, and the Hartford Company bound themselves to charge, on the night steamboats at least 50 cents less per passenger than the fare per passenger over the New York and New Haven Railroad. In consideration of these concessions, the Hartford Company were to receive from this Company $20,000 annually for five years (half to be paid by the Connecticut Steamboat Company), and have the use of the Junction track and depot in New Haven, free of expense. A subsequent contract was entered into by the two companies having reference to the Northampton line, the New Haven Company agreeing to discountenance the construction of the road from the State line to Northampton, and the Hartford Company agreeing to pay as a conside-

ration for this service, $12,000 a year, on account of the Northampton lease. This line, however, (as before stated) was built by another company.

The Norwalk Bridge accident and the Schuyler fraud have already been noticed as drawbacks to the Company's prosperity, and need not be further alluded to. Had it not been for these and the expensive contracts with the Northampton Company, no line of road in this country could have enjoyed a more continuous and absolute prosperity. Notwithstanding these drawbacks the Company has paid, since the opening of the road, 76 per cent. to the stockholders.

HUDSON RIVER RAILROAD.

The Hudson River Railroad, one of the most important roads leading out of the city of New York, follows the east bank of the Hudson River to East Albany—

—a distance of		144 miles.
And is thence continued to Troy by the Troy and Greenbush Railroad a further distance of		6 "
Making the whole line owned, leased, and operated by the company		150 miles.
The length of second track and sidelngs is—		
On the Hudson River Railroad	128¾	
On the Troy and Greenbush Railroad	10—	138¾ "
Total equivalent single track		288¾ miles.

ROLLING STOCK.

The *rolling stock or equipment* of the road owned by the company at the close of each of the last ten fiscal years, (September 30,) is shown in the following statement:

Sept. 30th,	Loco-motives.	Cars rated as 8-wheel. Pass.	Mail, &c.	Freight.	Total.
1856	53	109	27	546	682
1857	57	107	30	514	651
1858	57	107	30	507	644
1859	57	107	31	511	649
1860	58	107	34	521	661
1861	61	117	35	653	805
1862	64	113	29	651	793
1863	68	118	27	675	820
1864	71	133	31	671	835
1865	75	137	28	711	876

BUSINESS OF THE LINE.

The mileage of trains, the number and mileage of passengers and the tons of freight and mileage thereof in the same years are given as follows:

Fiscal Years.	Train Mileage. Pas'gers.	Freight.	Passengers. Number.	Mileage.	Freight. Tons.	Mileage.
1855-56	309,565	294,158	1,377,221	57,251,948	165,812	20,116,070
1856-57	463,528	312,638	1,494,789	58,928,855	176,796	19,642,158
1857-58	416,364	268,860	1,415,339	56,658,109	160,197	18,417,865
1858-59	438,322	342,005	1,503,961	57,263,230,	258,965	30,155,130
1859-60	540,389	426,726	1,637,651	66,251,3 0	337,852	40,187,539
1860-61	606,836	509,922	1,501,349	54,406,807	370,098	42,884,771
1861-62	575,104	577,441	1,456,402	61,277,103	517,740	60,378,642
1862-63	558,413	736,423	1,804,812	78,538,189	656,967	75. 91,270
1863-64	628,895	663,8?2	2,017,843	98,853,821	601,824	72,?2 ,?51
1864-65	698,226	568,315	2,068,945	85,778,513	491,850	53,738,441

The following classifies the freight into the several descriptions carried —the quantities being given in tons:

Fiscal Years.	Products of forest.	Products of animals.	Veg'ble food.	Agricul. products.	Manufactures.	Merchandise.	Other articles.
1855-56	2,743	49,405	26,183	9,334	26,818	24,189	16,640
1856-57	3,476	58,604	21,528	6,836	32,950	40,786	11,488
1857-58	3,443	59,786	17,274	9,402	2 ,986	32,299	13,006
1858-59	7,497	104,882	22,766	13,773	43,284	53,444	13,369
1859-60	8,093	124,294	36,389	15,784	66,106	68,672	18,584
1860-61	7,083	150,793	54,823	18,844	54,607	71,487	12,512
1861-62	7,104	284,895	61,287	23,211	68,900	93,109	15,284
1-6 '-63	7,759	307,787	33,384	79,182	105.714	106 836	16,335
1863-64	12,043	237,901	41,941	68,416	114,165	107,344	20,715
1864-65	9,380	174,979	31,337	46,518	102,876	84,112	33,498

REVENUE ACCOUNTS.

The *gross transportation earnings* and *expenses* and *the profits* from operations in the same ten years were as follows

Fiscal. Years.	Gross Earnings: Passengers.	Freight.	Other.	Total.	Operating Expenses	Prof. from Operat's.
1855-56	$1,144,878	$730,995	$118,814	$1,994,382	$1,289,578	$684,809
1856-57	1,183,290	716,600	53,908	1,902,828	1,213,948	688,880
1857-58	1,042,866	493,738	49,177	1,585,771	1,041,773	543,998
1858-59	1,079,662	731,821	50,592	1,862,075	1,078,541	783,534
1859-60	1,144,939	843,328	54,412	2,042,679	1,269,024	773,655
1860-61	1,087,656	793,875	58,787	1,889,318	1,422,553	466,765
1861-62	1,202,684	1,469,119	58,580	2,730,383	1,367,575	1,362,808
1862-63	1,550,226	1,964,105	78,382	3,592,713	1,748,426	1,844,287
1863-64	1,921,277	2,134,669	68,236	4,124,282	2,545,307	1,578,975
1864-65	2,099,952	2,294,031	128,3 8	4,452,380	3,176,612	1,275,968

The profits from operations, as above given, were disbursed in the following manner:

Fiscal Years.	Interest on debt.	Divid's on Stock: Amount.	Rate,	Scrip issued.	Carried to surplus.	Surplus Sept. 30.
1855-56	$651,315	$.....	$.....	$.....	$66,722	$116,542
1856-57	650,400	.....	.....	.....	33,660	150,202
1857-58	634,969	.....	.....	.....	.....	59,231
1858-59	647,700	.....	.....	....	135,833	195,064
1859-60	631,648	.....	.....	.....	142,006	334,142
1860-61	695,548	.....	.....	.....	.....	105,360
1861-62	65,016	.....	.....	.....	705,792	811,152
1862-63	648,354	267,162	7.....	.....	908,770	1,719,922
1863-64	594,408	402,297	8.....	441,600	43,400	1,763,322
1864-65	587,613	339,405	5.....	.....	283,169	2,046,491

A further dividend of 3 per cent was paid on the 1st Oct., 1865, making 8 per cent for the year closing Sept. 30, 1865.

GENERAL ACCOUNTS.

The *financial condition* of the company at the close of each fiscal year from 1855-56 to 1864-65, both years inclusive, is shown in the following statement:

Sept. 30th.	Capital Stock.	Funded Debt.	Floating Debts.	Balance of Income.	Total Amount.
1856	$3,758,466	$8,842,000	$399,311	$116,542	$13,116,319
1857	3,758,466	8,842,000	452,315	150,202	13,202,983
1858	3,758,466	8,842,000	455,003	59,231	13,112,700
1859	3,758,466	8,842,000	414,654	195,064	13,210,184
1860	3,758,466	9,107,000	182,106	334,142	13,381,714
1861	3,758,466	9,187, 00	778,411	105,360	13,774,237
1862	3,758,466	9,187,000	298,494	811,152	14,005,042
1863	4,422,023	8,998,750	4,167	1,719,922	15,084,862
1864	6,218,042	7,737,680	1,167	1,763,322	15,730,211
1865	6,563,250	7,762,840	1,167	2,046,491	16,372,748

Against which are charged the following, viz.:

Sept. 30th.	Construction Account— Road, &c.	Equipm't.	Engin'g etc.	Total.	All other prop' & as'ts
1856	$9,338,801	$1,167,049	$707,917	$11,213,767	$1,902,552
1857	9,392,740	1,182,362	707,917	11,283,019	1,920,964
1858	9,438,698	1,182,373	707,919	11,326,990	1,783,710
1859	9,497,988	1,182,373	707,994	11,388,280	1,821,904
1860	9,909,883	1,182,373	708,239	11,800,445	1,581,269
1861	10,000,916	1,340,445	708,239	12,049,600	1,724,637
1862	10,041,499	1,363,931	708,364	12,113,794	1,891,249
1863	10,422,881	1,474,527	708,902	12,616,310	2,46- 552
1864	10,774,018	1,616,413	708,902	13,099,333	2,620,878
1865	11,015,836	1,969,334	708,902	13,694,072	2,679,676

The construction account is made up from the annual reports to the State Engineer, in which are omitted the amount of losses in negotiating bonds and loans, commissions paid, interest to stockholders during the construction of the road, etc., prior to 1855. In the Treasurer's accounts these items amounting to $1,570,514 are included under the heading of "Engineering and Agencies;" but in the form above, that sum is placed under the caption of "All other property and Assets," and ought to be deducted to get the real amounts representing the balances not chargeable to construction.

DEDUCTIONS.

The following table shows the cost of and road equipment, and the earnings, expenses and profits per mile; the relation of earnings and expenses, and the ratio of profits to cost of road, etc.:

Fiscal Year.	Cost of Road, &c. per mile.	Amount per mile— Gross Earnings.	Operating Expenses.	Profit or Revenue.	Expenses to earnings per cent.	Profits to cost of r'd&c
1855-56	$77,873	$13,364	$8,608	$4,756	64.41	6.10
1856-57	78,354	13,214	8,430	4,784	63.80	6.10
1857-58	78,673	11,012	7,234	3,778	65 69	4.80
1858 59	79,085	12,931	7,489	5,442	57.91	6.60
1859-60	81,947	14,185	9,812	5,373	62.12	6.55
1860-61	83,678	13,120	9,879	3,241	75.29	3.87
1861-62	84,123	18,961	9,497	9,464	50.09	11.25
1862-63	87,613	24,948	12.142	12,806	48.67	14.61
1863-64	90,967	28.641	17,675	10.966	61.74	12.05
1864-65	95,097	30,919	22,060	8,859	71.01	9.31

SALE PRICES AT NEW YORK STOCK EXCHANGE.

The following table shows the range of prices at which the Hudson stock has sold in each month of the five last fiscal years:

Months.	1860-61.	1861-62.	1862-63.	1863-64.	1864-65.
October	54½@64¾	33½@38½	61 @ 79	131 @141¾	109 @125
November	40 @60	36 @41½	72 @ 79	121 @134½	118 @127½
December	36 @45	33½@39	72¾@ 77¼	119¾@129¾	114 @118¼
January	44 @49¼	37½@40	82 @ 93	129½@143	95½@115½
February	40½@48¾	35¼@39½	91¼@ 99	139 @162	102¾@117½
March	43 @47	35½@37¾	95 @101¾	148½@161¾	89¼@118½
April	33 @45½	35¼@39¾	102¾@117	120 @164	90 @115¾
May	34 @37½	36 @45	116 @142½	133 @156	95¼@118
June	31½@34½	44 @49¼	118 @143¾	138 @147	100¼@109
July	32 @38	43 @47¼	145 @180	120 @137½	107 @115
August	32½@34½	44¼@54¾	141½@153	126 @135	104½@118¾
September	33¾@34	50 @62½	128½@150	107 @127¾	105 @111¾
Year	31¾@64¾	33½@63½	61 @180	107 @164	89¼@127½

The Hudson River Railroad Company was chartered by an act of the Legislature, passed May 12, 1846, and organized March 4, 1847. The first division of the road extending from New York city 53 miles north was placed under contract in July 1847, and to Poughkeepsie 20 miles further in April, 1849. The division north of Poughkeepsie to East Albany was let to the contractors in July, 1850. The work of construction was commenced soon after the lettings, and was so energetically carried forward that the whole line was completed and in operation before the close of 1851. The following statement will give the dates at which each section was formally opened to traffic; from New York city to Peekskill 43 miles, Sept. 29; from Peekskill to New Hamburg 21 miles, Dec. 6, and from New Hamburg to Poughkeepsie 9 miles, Dec. 31, 1849. The construction of the Northern division was commenced at East Albany, and carried on thence southward, having been completed from East Albany to Hudson 28 miles June 16; from Hudson to Oakhill 6 miles, July 7, from Oakhill to Tivoli 10 miles Aug. 4, and from Tivoli to Poughkeepsie 27 miles Oct. 3, 1851. The cost to this date had been about $9,500,000. It has since been increased to upwards of $15,000,000, or more than $100,000 a mile. The Reading Railroad is the only other road in the country that has cost a larger sum per mile. The vast business of the line, however, warranted this expenditure, which has created a first class property, and, ultimately, a paying investment. No dividends were paid prior to 1863, the earnings having been directed to construction.

ERIE RAILWAY.

The Erie Railway consists of the under-named roads and branches, together making a total of 808 miles:

Roads owned by the Erie Company—			Miles.
Main Line	Piermont to Dunkirk		446
Newburg Branch	Chester Junction to Newburg		19
Buffalo Branch	Hornellsville to Attica		60
Total length leased and operated			525
Roads leased by the Erie Company—			
Long Dock Tunnel	Long Dock to Bergen		3
Union: Paterson & Hudson	Jersey City to Paterson	miles 14	
Union: Paterson & Ramapo	Paterson to State Line	14¼	
Union: Ramapo Union	State Line to Junction	0¼	
			29
Chemung	Elmira to Jefferson		18
Canandaigua & Elmira	Jefferson to Canandaigua		49
Hawley Branch	Lackawana to Hawley		16
Total length leased and operated			115
The Company also lease and operate the following railroads, but their accounts are stated separately and apart from the statements which follow, viz:			
Buffalo, New York and Erie	Corning to Buffalo	miles	140
Rochester & Genesee Valley	Rochester to Mount Morris		18
			158
And operate (not under lease) the Warwick Valley Railroad, Chesterville to Warwick			10
Total length owned or leased and operated			808

In operating these roads the Long Dock and Union Lines and the main Erie from Ramapo Junction to Dunkirk, together 460 miles, constitute the main line, and the eastern section of the Erie, from Ramapo to Piermont, 18 miles, is operated as a branch road.

On all the lines there are about 220 miles of second track and 160 miles of sidings, turnouts, etc.

EQUIPMENT.

The equipment or rolling stock owned by the Company at the close of the ten fiscal years ending September 30 was as shown in the annexed statement:

Sept. 30.	Locomotives.	Cars—8 wheel cars— Passenger.	Baggage.	Freight.	Total.
1856	203	141	43	2.810	2.994
1857	210	129	40	2.780	2.949
1858	210	138	45	2.684	2.867
1859	219	149	45	2.763	2.957
1860	219	145	45	2.895	3.086
1861	230	142	44	2.850	3.036
1862	235	139	48	3.040	3.227
1863	242	143	48	3.319	3.510
1864	249	153	48	3.768	3.969
1865	319	190	48	5.181	5.419

BUSINESS OF THE ROAD.

The mileage of trains, the number and mileage of passengers, and the tons and mileage of freight for the same years were as follows:

Fiscal Years.	Train mileage— Passeng'r.	Freight.	Passenger— Number.	Mileage.	Freight— Tons.	Mileage.
1855-56	1.329.531	1.863.602	1.124.383	101.108.220	933.220	168.458.046
1856-57	1.315.835	1.736.846	1.016.066	85.363.557	978.069	165.100.850
1857-58	1.216.378	1.784.991	793 662	64.931.456	816.964	165.895.636
1858-59	1.289.854	1.670.598	866.841	57.566.616	869.072	147.127.039
1859-60	1.220.958	2.370.234	941.554	56 557.070	1.139.554	214.084.396
1860-61	1.256.879	2.561.796	842.659	54.997.710	1.258.419	251.350.127
1861-62	1.172.848	3.409.521	859.203	54.617.695	1.632.955	351.092.215
1862-63	1.469.295	3.615.287	1.065.752	71.668.796	1.815.096	403.670.861
1863-64	1.534.449	4.284 330	1.652.371	114.935.925	2.170.798	423.013.644
1864-65	1.668.813	4.200.529	2.036.835	156.166.640	2.234.349	388.557.312

The following table exhibits the freight classified under its appropriate commercial heads—the quantities being given in tons:

Fiscal years.	Products of— Forest.	Anim'ls.	Vegetable food.	Other agric'l prod'ts.	Manufactures.	Merchandise.	Other articles.	Total tons.
1855-56	116.378	170,099	148.943	13,556	110,769	155,473	218,002	933.220
1856-57	126,093	145,958	120,618	13,909	143,338	143.716	284,436	879,069
1857-58	92,550	178,076	154,534	10.885	88,976	128,709	163,234	816,964
1858-59	97,754	170,329	112,727	15,107	94,266	179,050	199,846	869,072
1859-60	118,890	201,823	197.233	19,909	113,948	198,610	289,141	1,139,554
1860-61	106,685	209,757	243,959	26,930	145,678	167,244	351,161	1,253,419
1861-62	99,677	299.715	261,894	44,067	236,909	290,499	470,264	1,632,955
1862-63	104,006	328,551	228,632	65,171	270,952	296,998	512,784	1,615,096
1863-64	104,069	280.728	215,986	260,902	116,681	362,767	829,670	2,170,798
1864-65	99,865	249,220	212,676	75,344	296,298	327,528	1,043,618	2,234,349

REVENUE ACCOUNTS.

The following statement gives the result of operations, since the reorganization of the company, for the years ending September 30:

Receipts:	1862.	1863.	1864.	1865.
Passenger	$1,096,197	$1,670,088	$2,523,005	$4,450,210
Freight	6,642,915	8,175,097	9,855,088	10,726,264
Storage	1,282		5,260	5,952
Telegraph	13,088	42,448	89,132	15,604
Rents	5,723		7.350	1,196
Mails	101,352	101,352	101,352	101,352
Sleeping cars	1,967	....	.....	.....
Interest	1,449	.....	20,293	.....
Uncollected accounts	.....	257,137	.....	.....
Total receipts	$7,863,973	$10,946,117	$12,551,480	$15,300,575
Payments:				
Transportation	$4,391,394	$5,704,308	$7,846,990	$10,817,189
Hudson River ferry	95,836	105,718	151,772	165,700
Operating telegraph	42,688	46,866	68,809	117,010
Pavonia ferry	24,965	27,927	41,290	33,187

Payments:	1862.	1863.	1864.	1865.
Hire of cars	3,018	17,103	58,485	69,709
U. S. taxes	74,290	155,658	150,740	427,991
Rents of railroads	238,309	244,650	739,663	569,495
	$4,870,431	$6,302,225	$9,057,754	$12,200,281
Interest on bonds, &c	1,577,980	1,406,510	1,297,608	1,279,783
Dividends on preferred stock	.....	725,475	596,897	567,168
Dividends on common stock	.....	400,372	1,090,136	1,246,104
Surplus	1,415,562	1,411,535	569,090	7,289
Total payments	$7,863,973	$10,246,117	$12,551,480	$15,300,575

The rate of dividends paid since the reorganization has been as follows:

Year ending Jan. 1, 1863	Preferred Stock..	5	—Common Stock..		il.
Half-year ending July 1, 1863	"	3½	"		3½
" Jan. 1, 1864	"	3½	"		4
" July 1, 1864	"	3½	"		4
" Jan. 1, 1865	"	3½	"		4
" July 1, 1865	"	3½	"		4
" Jan. 1, 1866	"	3½	"		4

The only other dividend paid within the last ten years was one in 1857, when $1,000,000, or 10 per cent in stock, was distributed, which raised the company's capital from $10,000,000 to $11,000,000.

The gross earnings, operating expenses, and net revenue or profits from operations annually for the ten years ending Sept. 30, 1865, are shown in the following table:

Fiscal years.	Gross Earnings— Passenger.	Freight.	Other.	Total.	Operating expeneses	Net rev'e or profits.
1855-56	$1,6 6,675	$4,545,722	$146,593	$6,348,990	$3,636,838	$2,712,152
1856-57	1,495,361	4,097,610	149,635	5,742,606	4,285,347	1,457,259
1857-58	1,182,258	3,843,310	126,048	5,127,616	3,955,041	1,196,575
1858-59	1,154,083	3,108,248	132,197	4,394,528	3,174,865	1,219,663
1859-60	1,180,957	3,946,409	115,022	5,242,388	3,493,816	1,748,572
1860-61	1,136,046	4,375,568	103,416	5,615,030	3,759,035	1,855,995
1861-62	1,096,197	6,642,915	124,861	7,863,973	4,870,431	2,993,542
1862-63	1,670,083	8,432,234	143,800	10,246,117	6,302,225	3,943,892
1863-64	2,523,005	9,855,088	173,387	12,551,480	9,057 754	3,493,726
1864-65	4,450,210	10,726,264	124,101	15,300,575	12,200,281	3,100,294

The operating expenses, include rents of leased roads, ferry and telegraph expenses, insurance, taxes, etc.—everything payable before interest and dividend.

GENERAL ACCOUNTS.

The financial condition of the company at the close of each of the ten fiscal years ending September 30, is set forth in the following table:

Sept. 30th,	Stock paid in.	Funded debt.	Floating debt (net.)	Total amount.	Cost of road & eq'lpm'nt.
1856	$10,000,000	$24,891,000	$991,067	$35,882,067	$35,058,255
1857	11,000,000	24,891,000	1,982,482	37,873,482	35,073,680
1858	11,000,000	26,438,016	732,258	38,170,274	35,096,633
1859	11,000,000	25,260,000	353,703	36,613,703	35,341,618
1860	11,000,000	26,351,000	2,725,620	40,076,620	35,574,172
1861	11,000,000	26,351,000	(*Not stated.*)		35,796,902
1862	19,973,200	19,831,500	480,665	40,285,365	39,985,202
1863	19,973,200	20,093,000	.....	40,076,200	39,328,660
1864	24,228,800	17,822,900	.....	42,051,700	40,954,463
1865	24,935,800	18,285,900	4,245,678	47,467,378	45,879,522

The cost of the property was reduced in 1863 by the sale of the Lake Erie propellers formerly run by the company.

DEDUCTIONS.

The following table shows the cost of road and equipments, earnings,

expenses, and profits per mile; the relation of earnings and expenses, and the ratio of profits to cost of road, &c:

Fiscal years.	Miles of road owned.	Cost of road. &c., per mile.	Amount per mile.—Gross earn'gs.	Total expen's.	Net profits.	Expen's to earnings.	Profits to cost of r'd. &c.	Div. to com. stock.
1851-56	465	$75,394	$13,658	$7,821	$5,832	57.29	7.73	nil.
1856-57	465	75,427	12,349	9,215	3,134	74.62	4.15	10s.
1857-58	465	75,489	11.079	8,505	2.574	76.76	3.41	nil.
1858-59	465	76,003	9,451	6,827	2,624	72.23	3.45	"
1859-60	465	76,503	11.282	7,513	3,769	66.59	4.93	"
1860-61	465	77,090	12,161	8.084	4.077	66.47	5.29	"
1861 62	525	78,163	14,980	9,277	5,703	61.99	7.48	"
1862-63	525	74,912	19.516	12,004	7,512	61.51	10.03	3½
1863-64	525	78,008	23,907	17,253	6,654	72.19	8.53	8
1864-95	525	87,3'1	29,144	23,238	5,906	79.99	6.76	8

The mileage was increased in 1862 by the purchase of the Buffalo and New York City Railroad, 60 miles.

MARKET VALUE OF STOCK.

The following statement shows the lowest and highest prices of the company's stock at New York in each month of the last five years:

Months.	1860-61.	1861-62.	1862-63.	1863-64.	1864-65.
October	27¾@43	29½@34½	49 @ 65¼	106½@110¾	86 @ 98
Novemb'r	31 @34¾	29½@35½	59 @ 64½	99½@110½	93½@104¾
December	34 @39	34¾@33	60 @ 63¾	104¼@109	82 @ 96¾
January	34½@40¾	31¾@36¾	66 @ 85¾	106¾@113	66¾@ 85¾
February	30 @36	28 @35¾	70 @ 80¼	107 @124¾	69¼@ 77¾
March	30 @35	34½@38	74½@ 80¾	113 @126¾	45 @ 73
April	17 @32¾	30½@37½	76 @ 84¾	107 @126	51¾@ 84¾
May	19¾@23¾	33¾@40¾	84¾@105	107 @117¾	70¾@ 80¾
June	21 @23½	35¼@39½	90¾@ 98	110½@118	71¾@ 78¾
July	23¾@29	38 @37	92½@103¾	108¼@116	78¾@ 95
August	24¾@26¾	33½@39½	103 @122	108½@113¾	79¾@ 92¾
Septemb'r	24¾@35¾	36¾@49¾	101 @118¾	93 @109	86¾@ 90¾
Year	17 @43	24¾@49¾	49 @122	93 @126¾	45 @104¾

The following exhibits the monthly range of the preferred stock created on the re-organization of the company in January, 1862:

Months.	1862.	1862-63.	1863-64.	1864-65.
October	.....	80 @ 93	104 @105¾	100 @104
November	.....	87 @ 92	99¾@105	100 @106¾
December	.....	90½@ 97	100¾@108¾	99¾@105
January	52¾@58¾	97 @108	100¾@104¾	90 @100¾
February	54¾@59¾	99 @106¾	101 @109	90 @ 98¾
March	58¾@62¾	93¾@101¾	105¾@115¾	70 @ 90
April	60¾@62¾	96 @102¾	105¾@116	75¾@ 92
May	62¾@67¾	101¾@111	106 @109	82 @ '6
June	63¾@67¾	100¾@106¾	108¾@113	84 @ 90
July	60 @64	100¾@105¾	107 @115¾	86 @ 88
August	62¾@69¾	102¾@111¾	108¾@112¾	80 @ 87
September	67¾@83	102 @108¾	101 @109	81¾@ 86¾
Year	52¾@83	80 @111¾	99¾@116	70 @106¾

The New York and Erie Railway Company was chartered April 24th, 1832, for the purpose of constructing a railroad from the Hudson River through the southern counties of Western New York, and as a counterpoise to the Erie Canals which accommodated the northern counties.

The work of construction was commenced on the Delaware Division, between the Delaware and Callicoon Creek, a length of 41 miles, and also on the ten miles nearest Piermont, in 1836. To aid the work the Legislature, at its session in 1834, granted to the Company State credit to the amount of $3,000,000, but on terms which rendered the grant nugatory, in consequence of which, and of the commercial revulsion which followed, further operations were suspended for the next two years.

In 1838 the terms of the State loan were modified so as to allow the

Company to draw it in sums of $100,000, provided that equal amounts should have been first paid in by the stockholders and expended on the road. In 1839 the unlet portion of the section between Piermont and Goshen was placed under contract, and in February, 1840, the Susquehanna Division, between Binghampton and Bonnellsville. A further modification in the terms of the State loan was also made in the latter year, under which the Company were empowered to draw $100,000 for every $50,000 of capital expended. Under this arrangement the balance of the loan was made available, and the work proceeded simultaneously upon the Delaware, Susquehanna and Western Divisions, in all about 300 miles.

In September, 1841, the first section of the road from Piermont to Goshen, 46 miles, was opened to traffic. About this time the Company became embarrassed, and their affairs were placed in the hands of assignees, under whose management the road was extended to Middletown, seven miles west from Goshen, and opened thus far June 7, 1843. Here comes another pause—another suspension of active operations. Up to Feb. 1, 1844, $4,736,949 had been expended, but of the works costing this sum more than one-half were finally abandoned. Renewed efforts were now made to resuscitate the enterprise. The Company's engineer estimated the amount necessary to complete the road to Lake Erie and equip it at $7,000,000. The State, by an Act passed in 1845, agreed to release its loan of $3,000,000, provided the road was finished in the next six years, and, as a further inducement to additional subscriptions to the stock, the old stockholders agreed to surrender one-half of their holdings, provided $3,000,000 should be obtained by new subscriptions. This sum, with an issue of bonds to the same amount, it was confidently believed would be sufficient for all purposes. These arrangements relieved the Company from present embarrassments, but a question of location arose which delayed for some time the commencement of construction west of Otisville. Upon the renewal of the obstacles which interfered with the progress of the works, by an act passed in 1847 construction was pressed forward with vigor, and continued without interruption until the whole line was sufficiently perfect for use, or, in ordinary language, completed.

The following statement presents the dates of the opening of the several lines in the great line, which had been completed, as before shown, to Middletown in 1843: From Middletown to Otisville, 8 miles, N v. 3d, 1846; from Otisville to Port Jervis, 13 miles, Jan. 6th, 1858; from Port Jervis to Binghampton, 127 miles, Dec. 28, 1848; from Binghampton to Owego, 22 miles, June 1; and to Elmira, 36½ miles, Oct. 20, 1849; from Elmira to Corning, 17 miles, Jan. 1, 1850; from Corning to Hornellsville, 41 miles, Sept. 3d, 1850, and to Dunkirk, on Lake Erie, April 22d, 1851—the whole line from the Hudson to the Lake, being a distance of 446 miles, having been opened at that date.

The construction account up to the end of the fiscal year 1850-51 showed that the road had cost about 24 000,000, and yet it was the mere outline of that great thoroughfare to which it has grown in the last dozen years. Its terminus on the Hudson was at an early date found to be at an inconvenient distance from the metropolis, and hence permission was obtained of the New Jersey Legislature to make Jersey City its eastern outlet. This was effected by leasing two existing roads in New Jersey

and a short connecting link in New York near Suffern. Together these are denominated the Union Railroads, and are held in perpetuity—the new link at $3,500, the Paterson & Ramapo R. R. at $26,500 and the Paterson & Hudson R. R. at $46,600 a year. An additional rail was also laid on the New Jersey R. R. for the accommodation of the wide cars of the Erie Company in Jersey City, for the use af which a tonnage charge was exacted.

The business of the road, however, soon outgrew the accommodation thus supplied, and hence the necessity of enlarged plans. To meet this the Dry Dock Company was formed which constructed the magnificent works between Jersey City and Hoboken. These improvements are leased by the Erie Company, but are also chiefly owned by it. The connecting road, which passes through a tunnel, is about two and a half miles long and reaches the river by a number of radiating branches. The lease is dated July 1, 1856.

The Chemung Railroad and the Elmira, Jefferson & Canandaiga Railroads are also operated by the Erie under leases executed Jan. 1, 1859 to run twenty years; and more recently it has undertaken to operate the Buffalo, New York & Erie and other roads. The company have also purchased the Buffalo & New York City Railroad, extending from Hornellsville to Attica.

From the time of the opening of the road the affairs of the company had been becoming more and more involved. The interest on the newer bonds could not be met, and creditors became pressing. In August, 1859, at the suit of the fourth mortgage bond holders a Receiver was appointed to take charge of the company's effects. In the meanwhile a plan of reorganization was put forth and adopted, the principal feature of which was the funding of overdue coupons and other liabilities into a preferred stock. Under this arrangement the property was sold and the present Erie Railroad Company formed, its existence dating from January 1, 1862. The statements of the financial condition of the company before and after this change will be seen in the tables given above.

The Erie Railroad Company as now organized has been a success. It has paid dividends on its new stock punctually, and is now paying 8 per cent per annum on the old stock. Yet it has still large demands to meet in order to make the road and equipments equal to the business existing and in prospect. These have been provided for by the issuance of sterling bonds to the amount of £800,000.

The connection between the Erie, Atlantic & Great Western and the Ohio & Mississippi Railroads furnishes a wide gauge line from New York to St. Louis, 1,200 miles. When fully developed this connection will add largely to the business of all the companies forming the through line.

COMMERCE OF NEW YORK FOR 1865.

We have received from the Custom House the official returns of the commerce of New York for 1865, and are able now to give the figures for each year during the war, with the previous returns for comparison.

IMPORTS.

We published in the Magazine for February the annual statement of dry goods and below we give the quantity and value of general merchandize. We now classify

the total imports, giving separately the dry goods, general merchandize and specie for the last five years:

FOREIGN IMPORTS AT NEW YORK.

	1861.	1862.	1863.	1864.	1865.
Dry goods	$43,636,689	$56,121,227	$67,274,547	$71,589,752	$92,061,140
Gen'l mer'dise	132,472,764	117,140,813	118,814,219	144,270,396	130,557,998
Specie	37,068,413	1,390,277	1,525,811	2,265,622	2,123,281
Total imports	$214,197,866	174,652,317	187,614,577	218,125,760	224,742,419

It appears from this statement that the total for the year exceeds the total of any year since the war, because of the very heavy dry good imports last year. Our imports of cotton alone have decreased about six millions. We now give for comparison the previous years since 1851, classifying them into dutiable, free, and specie. Under the head of dutiable is included both the value entered for consumption and that entered for warehousing. The free goods run very light, as nearly all the imports now are dutiable.

FOREIGN IMPORTS AT NEW YORK.

	Dutiable.	Free goods.	Specie.	Total.
1851	$119,592,264	$9,719,771	$2,040,543	$131,352,578
1852	115,336,052	12,105,342	2,406,225	129,849,619
1853	179,512,412	12,156,337	2,422,083	194,097,652
1854	163,494,984	15,769,916	2,107,572	181,371,472
1855	142,900,661	14,103,946	855,631	157,860,238
1856	193,839,646	17,902,578	1,814,425	213,556,649
1857	196,279,302	21,440,784	12,898,033	230,618,129
1858	128,578,256	22,024,691	2,264,120	152,867,067
1859	213,640,363	28,705,785	2,816,421	245,165,516
1860	201,401,688	28,006,447	8,852,330	238,260,460
1861	95,326,459	30,353,918	37,088,413	162,768,790
1862	149,970,415	23,291,625	1,390,277	174,652,317
1863	174,521,766	11,567,000	1,525,811	187,614,577
1864	204,128,236	11,731,902	2,265,622	218,125,760
1865	212,208,301	10,410,837	2,123,281	244,742,419

From the foregoing table it will be seen that the total imports are larger this year than any we give, except 1859. This is due in a great measure to the limited supply of foreign goods for the previous three years, and the consequent increased demand at the close of the war. Consequently, the receipts at this port have during the last six months of 1865 been double those of the first six months. Below we give a detailed statement showing the receipts from foreign ports during each month of the year, for the last six years, both of dutiable and free goods, and what portion were entered for warehousing, and the value withdrawn from warehouse:

IMPORTS ENTERED FOR CONSUMPTION.

	1860.	1861.	1862.	1863.	1864.	1865.
January	$16,521,174	$8,178,837	$6,763,396	$8,741,227	$12,429,618	$5,217,495
February	14,467,040	7,003,399	7,038,174	7,372,539	15,766,601	5,178,714
March	16,163,693	6,700,061	10,312,689	11,461,572	15,848,425	7,006,126
April	10,407,966	5,393,809	7,141,197	9,493,830	18,951,700	5,528,575
May	10,515,411	2,889,588	8,091,120	7,980,281	7,531,300	6,592,157
June	11,870,400	1,825,563	7,278,953	6,328,581	5,513,985	8,542,271
July	18,759,905	3,200,663	13,799,505	9,080,210	6,382,928	10,175,830
August	19,564,675	3,359,695	10,289,427	10,004,580	6,603,658	15,903,743
September	11,516,139	3,106,298	11,890,711	11,203,595	4,390,114	16,748,595
October	10,974,428	3,633,580	8,462,554	11,895,569	3,770,526	16,857,252
November	8,525,416	4,614,982	6,565,185	10,325,929	3,963,359	16,655,761
December	5,374,246	4,342,756	6,331,073	10,498,576	4,448,542	14,500,606
Total	$154,660,498	54,251,231	104,483,984	114,377,429	104,988,811	128,467,155

IMPORTS ENTERED WAREHOUSE.

	1860.	1861.	1862.	1863.	1864.	1865.
January	$2,744,411	$3,560,680	$3,141,725	$4,482,794	$5,571,936	$4,510,225
February	1,526,772	3,751,673	3,370,486	3,657,775	4,991,398	5,568,117
March	3,592,093	3,084,187	4,841,846	6,016,901	6,041,408	7,872,555
April	4,127 857	4,187,678	3,853,218	6,456,208	5,905,540	7,148,371
May	4,436,660	5,842,313	4,600,920	5,437,404	14,727,176	5,288,049
June	4,487,109	3,245,504	3,874,127	5,377,885	16,906,964	7,123,782
July	4,462,425	1,769,636	4,502,764	6,057,842	14,954,635	7,845,947
August	4,182,764	2,660,457	2,939,721	4,409,891	10 427,478	7,553,200

	1860.	1861.	1862.	1863.	1864.	1865.
September	2,835,784	1,390,766	4,351,084	3,421,310	5,253,568	4,936,409
October	2,817,461	2,082,331	3,699,806	4,189,457	5,323,928	5,903,996
November	3,961,659	2,150,661	2,106,009	4,956,415	4,160,532	9,164,116
December	7,566,147	2,346,397	4,212,725	5,676,955	4,250,862	10,506,509
Total	$46,741,185	41,072,228	45,486,431	60,144,337	99,139,425	83,741,146

IMPORTS OF FREE GOODS.

January	$2,262,638	$2,695,665	$2,552,050	$2,413,649	$841,050	$840,129
February	3,173,392	2,812,563	3,381,473	783,561	797,788	620,063
March	3,739,341	2,873,697	3,476,004	1,328,806	1,072,849	830,450
April	2,396,349	3,351,905	2,232,315	1,328,216	1,025,517	961,026
May	1,845,020	2,730,568	1,446,093	710,021	1,056,576	818,818
June	2,765,008	2,191,513	1,122,192	781,053	1,258,634	953,226
July	1,594,918	2,972,054	1,831,931	683,880	917,684	886,431
August	2,050,665	1,816,124	982,992	509,781	936,474	896,533
September	1,652,892	1,577,885	1,784,804	786,864	882,557	795,468
October	1,911,515	2,103,452	1,004,870	741,889	855,079	795,508
November	2,487,290	1,964,644	1,526,496	665,207	911,976	1,159,248
December	2,133,579	2,574,248	1,950,504	834,074	1,125,718	918,987
Total	28,006,447	30,353,918	23,291,625	11,567,000	11,731,902	10,410,837

IMPORTS OF SPECIE.

January	$228,050	$7,262,229	$163,658	$101,906	$141,790	$52,268
February	190,175	2,274,067	62,007	213,971	88,150	106,704
March	85,094	5,516,406	69,327	123,616	104,437	243,242
April	49,186	1,953,001	26,152	107,061	285,814	296,424
May	96,060	3,486,219	110,388	197,217	669,092	177,085
June	88,272	5,387,153	61,028	109,997	146,781	236,032
July	64,351	6,996,498	219,001	182,945	128,052	253,640
August	140,750	1,049,552	92,708	113,877	245,858	183,072
September	235,695	1,231,012	121,318	78,231	58,220	194,224
October	1,083,888	629,328	256,676	78,053	129,775	17,942
November	446,798	908,825	109,708	108,144	161,727	236,525
December	6,174,061	353,530	78,316	116,493	114,976	127,054
Total	8,862,330	37,068,413	1,390,277	1,525,511	2,2.5,623	2,123,261

TOTAL IMPORTS.

January	$21,756,273	$26,872,411	$12,620,829	$15,739,576	$18,977,394	$10,620,117
February	19,356,879	16,341,727	13,872,140	13,027,846	21,743,937	11,473,668
March	23,580,126	18,204,351	18,719,896	18,390,895	23,667,119	16,012,373
April	16,971,358	14,886,393	13,252,882	17,365,815	26,168,631	14,174,464
May	16,893,151	14,949,281	14,948,521	14,894,925	23,97 ,144	12,876 10[illegible]
June	19,160,789	12,649,733	12,336,195	12,597,516	23,926,314	16,855,331
July	24,881,649	14,938,851	20,353, 02	16,003,677	22,393,299	19,161,888
August	25,928,854	8,585,928	14,304,[illegible]43	15,038,129	18,223,463	21,475,608
Sept.	16,260,450	7,305,461	18,[illegible]47,917	15,491,940	10 539,459	22,674,496
October	16,787,242	8,523,741	13,413,9[illegible]6	16,894,267	10,088,908	23,134,675
November	15,421,156	9,639,012	10,309,398	16,045,695	8,597,595	27,235,651
December	21,253,033	9,616,921	13,072,618	17,126,098	9,935,098	26,048,099
Total	238,262,460	162,768,790	174,652,317	187,614,577	218,125,760	224,742,419

WITHDRAWN FROM WAREHOUSE.

January	$2,964,034	$3,543,273	$4,356,252	$3,881,531	$4,950,418	$5,683,554
February	2,[illegible]34,699	5,781,728	3,468,041	2,499,127	5,284,680	5,673,619
March	2,200,117	5,817,144	3,849,567	3,456,530	5,215,983	5,795,512
April	2,069,423	1,761,245	4,405,410	4,132 632	14,183,873	7,880,006
May	2,[illegible]75,067	1,[illegible]08,8[illegible]4	3,7 0,232	9,794,773	659,869	10,277,170
June	2,268,377	1,963,842	5,[illegible]84,106	3,893,337	2,544,914	6,346,958
July	3,593,993	6,622,454	6,102,033	4,227,265	3,386,873	8,612,411
August	3, 25,105	2,[illegible]14,[illegible]52	2,386,604	6,429,421	7,967,843	9,661,126
September	4,007,272	2,998,464	2,715,630	6,942,561	6,852,329	8,042,608
October	3,018,[illegible]93	2,518,080	3,109,898	4,858,[illegible]12	5,504,138	4,699,326
November	1,5[illegible]7,301	1,987,626	1,914,[illegible]83	4,084,183	5,828,884	4,249,381
December	1,246,203	3,561,887	1,[illegible]93,908	3,714,291	5,100,974	3,[illegible]32,662
Total	31,103,934	39,717,259	41,563,754	50,851,167	67,490,778	80,524,342

Below we give in detail the receipts for customs at New York each month of the last five years:

RECEIPTS FOR CUSTOMS AT NEW YORK.

	1861.	1862.	1863.	1864.	1865.
January	$2,059,202 33	$3,351,657 22	$4,127,906 82	$6,180,536 00	$4,231,787 47
February	2,528,736 [illegible]3	3,565,[illegible]63 83	3,590,713 97	7,474,027 93	4,791,947 10
March	2,489,026 25	4,026,862 86	4,554,460 13	7,659,770 47	5,892,099 26

	1861.	1862.	1863.	1864.	1865.
April	1,643,261 99	4,149,953 36	3,957,197 57	13 992,555 60	6,309,994 34
May	979,145 14	4,784,924 62	3,878,865 42	3,855,186 46	8,128,422 08
June	865,062 41	4,664,927 19	3,738,934 06	3,311,148 43	7,837,075 84
July	2,069,590 86	7,211,817 63	4,912,718 49	3,585,848 44	9,778,276 65
August	1,558,824 11	4,762,581 54	7,296,735 58	6,237,364 17	13,113 689 50
September	1,642,382 43	5,239,045 50	7,270,543 65	4,084,492 54	12,929,615 64
October	1,672,616 84	4,309,419 87	6,238,943 46	3,670,188 38	10,973,513 01
November	1,751,384 73	3,003,270 23	5,075,846 24	3,453,156 52	9,933,483 96
December	2,334,847 38	2,664,593 53	5,248,189 06	3,440,852 67	8,348,750 37
Total	21,714,089 30	52,2 4,116 75	58,886,054 42	66,937,127 71	101,772,905 94

EXPORTS.

While the imports for the year show a decided increase, the exports have fallen off sixty-four million dollars; forty three millions being the decrease in the shipments of produce, and nearly twenty-one million specie. It should be remembered, however, that the returns of this port for the past twelve months cannot be taken as an index of the trade of the country, inasmuch as there have been during the last six months of the year, large shipments of cotton, &c., direct to Europe from the Southern States, while the bulk of the imports for those States has come through New York. We give below the exports each quarter, exclusive of specie, for six years:

EXPORTS FROM NEW YORK TO FOREIGN PORTS EXCLUSIVE OF SPECIE.

	1860.	1861.	1862.	1863.	1864.	1865.
1st quarter	$30,827,086	$33,477,742	$32,075,568	$50,614,908	$41,429,756	$46 710,118
2d quarter	22,740,709	33,123,489	29,798,344	41,046,726	48,446,686	4,216,567
3d quarter	25,079,326	30,075,918	45,313,299	38,825,587	79,519,184	40,521,493
4th quarter	33,845,108	41,917,752	49,747,611	40,223,747	52,426,966	67,178,421
Total	108,492,280	138,594,901	156,934,822	170,718,768	221,822,542	178,626,599

We now annex our usual detailed statement, showing the exports of domestic produce, foreign dutiable and free goods, and specie and bullion during each month of the last six years:

EXPORTS OF DOMESTIC PRODUCE.

	1860.	1861.	1862.	1863.	1864.	1865.
January	$5,299,142	$10,277,925	$12,053,477	$14,329,396	$11,448,953	$16,023,621
February	5,699,387	10,263,830	10,078,101	17,780,586	13,662,218	15,042,505
March	6,998,687	10,580,907	8,935,176	16,137,089	14,410,051	13,898,565
April	6,638,682	9,255,648	8,002.094	11,581,933	13,263,712	7,3 0,709
May	5,812,190	10,855,709	9,837,693	13,183,510	14,610,493	7,883,565
June	8,397,774	10,270,430	10,048,832	14,780,072	17,998,495	8 079.802
July	7,535,713	9,552,789	14,050,437	15,294,073	26,251,673	12,521,346
August	8,012,814	9,852,301	13,046,389	10,966,939	26,617,850	14,500,860
September	9,232,931	9,877,909	14,734,993	11,717,761	15,595,548	12,763,484
October	10,067,390	12,904,250	19,476,947	14,513,454	16,740,404	20,9 6,936
November	11,262,701	14,169,763	14,060,340	11,413,591	12,015.084	22,763,327
December	10,610,945	13,661,444	14,805,112	12,846,151	19,24 ,528	22,562,534
Total	95,468,296	131,235,995	149,179,591	164,949,177	201,855,989	174,217,154

EXPORTS OF FOREIGN FREE.

January	$324,003	$399,940	$27,193	$73,111	$42,232	$105,421
February	314,994	137,950	49,099	43,889	77,698	74,793
March	285,351	109,270	65,388	213,685	72 667	307,231
April	254,742	209,573	56,350	74,949	48,461	57,544
May	309,921	1 0,114	76,971	103,337	40,898	54,500
June	200,464	648 483	43,368	49,380	75,709	35,417
July	140,949	203,325	1,117,193	77,232	249,404	28,226
August	76,088	57,965	417,100	90,815	12 ,537	45,045
September	46,620	30,012	667,987	55,400	848,742	64,003
October	94,175	60,868	179,205	149,325	69,965	39,236
November	84,167	41,978	45,538	56,534	64,914	109,155
December	97,241	75,474	108,489	55,555	425, 81	24,165
Total	$2,258,710	$2,154,947	$2,853,848	$1,037,212	$2,142,458	$938,735

EXPORTS OF FOREIGN DUTIABLE.

January	$399,317	$465,973	$149,493	$668,275	$664,485	$432,556
February	631,489	429,537	208,757	610,009	456,493	633,509
March	844,716	839,415	458,917	758,296	599,959	191,927
April	482,490	231,784	607,678	875,224	558 812	433,395
May	248,270	567,872	753,797	602,254	569,898	320,210

June	$496,228	$906,677	$373,561	$298,097	$1,283,218	$131,425
July	223,552	260,866	449,948	448,801	5,137,460	262,592
August	191,270	176,581	256,680	231,774	2,231,782	135,172
September	620,394	264,168	572,572	238,972	2,460,138	200,854
October	294,753	192,196	434,265	350,614	1,104,399	252,072
November	400,218	377,170	284,878	333,948	1,126,159	208,091
December	333,578	494,514	352,902	456,575	1,633,502	238,606
Total	$5,765,274	$5,208,959	$4,901,888	$5,425,579	$17,894,095	$3,440,410

EXPORTS OF SPECIE AND BULLION.

January	$853,562	$58,894	$2,658,274	$4,694,574	$5,459,079	$3,184,853
February	977,009	1,102,926	3,776,919	2,965,664	3,015,907	1,022,901
March	2,381,663	301,802	2,471,233	6,585,443	1,800,559	381,913
April	2,993,502	1,412,674	4,037,575	1,972,834	5,883,077	871,940
May	5,529,936	128,900	5,164,636	2,115,675	6,460,930	7,255,071
June	3,842,080	244,242	9,867,614	1,307,774	6,533,109	5,192,472
July	5,563,985	11,020	8,089,337	5,268,881	1,947,329	723,966
August	7,454,813	3,600	3,713,532	3,465,261	1,001,813	1,554,398
September	3,758,734	15,756	3,085,919	3,480,395	2,835,398	2,494,979
October	2,106,395	15,038	6,707,519	6,210,156	2,517,121	2,516,226
November	525,091	48,385	6,213,251	5,438,353	7,267,662	2,046,180
December	202,401	893,013	3,673,112	5,259,053	6,104,177	2,752,161
Total	$42,191,171	$4,236,250	$59,437,021	$49,754,066	$50,825,621	$30,008,683

TOTAL EXPORTS.

January	$6,876,024	$11,202,737	$14,888,437	$19,695,358	$17,609,749	$19,746,451
February	7,652,879	11,907,233	14,112,843	22,400,148	17,211,776	16,774,008
March	10,510,417	11,831,394	11,980,714	23,695,082	16,383,236	14,779,626
April	10,390,415	11,709,679	12,703,797	14,004,940	19,754,062	8,582,897
May	11,900,317	11,732,595	15,832,097	16,002,780	21,682,200	15,513,346
June	17,836,546	12,067,031	20,332,375	16,495,293	25,887,531	13,446,116
July	14,463,199	10,088,000	23,694,915	21,092,787	23,585,886	13,396,061
August	15,734,930	9,890,448	17,483,701	14,454,809	20,977,992	16,235,475
September	13,658,879	10,178,846	19,061,471	15,492,518	21,789,826	15,538,814
October	12,662,653	13,172,452	26,797,936	21,219,549	20,431,789	23,788,469
November	13,272,177	14,577,291	20,608,942	17,292,436	20,473,699	25,126,753
December	11,745,165	15,124,445	18,939,615	18,619,334	27,410,488	25,577,766
Total	145,683,451	142,981,151	216,371,843	220,465,034	272,648,163	208,680,282

Below we give a detailed statement of the imports of general merchandise at New York for the last two years:

FOREIGN IMPORTS AT NEW YORK FOR 1864 AND 1865.

[The quantity is given in packages where not otherwise specified.]

	1864.	1865.			1864.	1865.	
	Value.	Quant.	Value.		Value.	Quant.	Value.
Alabastar ornaments	$6,915	$388	$7,579	Albumen	.....	30	3,694
Baskets	116,485	3,955	53,752	Aloes	7,493	60	5,948
Bags	179,422	...	77,065	Alum	8,077	1,133	20,404
Boxes	22,968	...	25,233	Aluminous cake	4,279	190	4,167
Bricks	4,452	..	5,858	Amo'a carb	881	48	2,608
Boats	.....	...	2,000	Ammonia	46,645	294	9,517
Buttons	415,868	3,947	1,018,321	Am. sal	19,697	517	20,138
Build. stones	17,596	...	9,914	Am. sulph	5,127	157	7,374
Burr stones	17,773	1,140	24,548	Annatto	17,755	592	10,797
Candles	.....	...	16,694	Anilil. dye	.....	22	5,795
Clay	51,583	...	21,980	Aniline colors	137,238	53	87,236
Cheese	59,307	2,530	113,485	Arrowroot	12,464	514	8,881
China, Glass, and Earthenware—				Asphaltum	2,976	267	5,237
Bottles	24,856	1,284	27,930	Argols	230,386	1,683	164,730
China	348,737	6,894	253,588	Assafœtida	4,134	...	.....
Earth'ware	1,205,473	36,668	1,130,296	Arsenic	2,811	140	4,612
Glass	332,109	148,100	339,201	Aum	.....	50	917
Glassware	181,540	7,391	200,989	Bark, Peruv	297,521	5,322	152,054
Glasplate	425,594	3,681	531,110	Bals. Tolu	3,197	...	.....
Graphite, &c	884	2	104	Bal. copav.	.....	...	5,445
Cigars	788,237	...	955,091	Bismuth	12,578	20	23,251
Coal, tons	693,268	323,656	860,542	Bitumen	.....	64	2,892
Corks	230,159	130	123,488	Blea powd	432,090	19,780	270,141
Chronograp's	837	71	6,640	Blue vitrol	.....	.....	2,537
Cotton, bales	11,157,449	43,660	5,825,084	Borax	.....	338	8,104
Clocks	14,107	336	61,595	Brim'e, tns	294,218	8,963	213,910
Cocoa, bags	150,966	6,518	181,738	Barytes	408	424	2,448
Coffee, bags	14,543,935	717,078	12,834,059	Castor oil	6,690	633	9,365
Drugs, &c—				Camphor	114,818	2,887	58,088
Acids	14,107	1,506	172,465	Camomile	1,572	....	1,516
Alkali	8,598	508	7,722	Canthari's	5,749	58	2,935
				Card'moms	3,419	..	.....

	1864.	1865.	
	Value.	Quant.	Value.
Carmine	3,968	11	5,223
Chalk	1,895	388	7,643
Chlorodine	....	....	1,409
Cream tar	150,487	186	231,546
Chrome yel	8	....	199
Chiccory	68,746	2,156	34,559
Cochineal	343,430	2,4:5	432,768
Cubebs	19,224	.	1,555
Cudbear	91,186	624	46,598
Cutch	3,806	2,487	18,409
Divi Divi	1,533	....	7,220
Dye stuffs	1,263	100	512
Flor sulph	8,011	....	....
Gentian r't	1,585	....	....
Gambier	2 6,244	5,717	70,349
Gum arabic	223,221	4,467	254,411
Gum crude	198,732	8,250	284,571
G. copaiva	61,567	976	34,820
G. lowrie	85,418	427	10,803
Gum copal	4,782	2,586	59,935
Gum myra	....	. ..	7,459
Gum gedda	1,174	....	....
G.tra,canth	523	....	....
Glue	230	23	2,652
Gypsum	....	50	882
Indigo	706,806	6,545	947.069
Iodine	23,684	74	22,500
Iodine pot	22,068	205	37,456
Ipecac	49,696	117	26,169
Ipecacu'ha	....	53	12,995
Ins'ct pow	2,238	....	6,524
Isinglass	1,183	3	1,508
Jalap	12,331	69	14,776
Lac dye	15,220	321	12,973
Leeches	6,761	206	7,988
Licorice r't	48,433	4,588	19,284
Lic paste	363,393	9,650	267,911
Logw'd ext	....	....	3,339
Madder	810,066	5,096	751,986
Magnesia	12,037	663	12,889
Manna	8,902	94	3,863
Morphine	1,427	....	....
Muriate pot	1,378	153	11,536
Nutgalls	1,543	141	31,462
Nitrate pot	....	....	18,514
Nit'te soda	298,904	3,000	229,750
Nit'te silv'r	1,323	....	....
Oils, unspec	89,798	2,880	193,294
Oil, cod	4,375	1,684	85,450
Oil, cocoa-nut	8,716	230	13,198
Oil, ess	170,830	2,331	251,819
Oil, lin'd	161,128	1,810	159,594
Oil, olive	202,851	36,625	249,050
Oil, palm	33,923	506	29,555
Oil, whale	5,740	73	16,000
Opium	311,087	1,101	443.828
Orch.weed	16,746	....	9,129
Orange p'l	4,327	....	....
Paints	435,763	....	407,443
P. white	1,925	255	1,178
Pot. bitch	2,286	....	....
Pers'n berries	3,112	....	4,507
Pot. chlo	17,473	733	23,292
Pot. hyd	7,577	414	37,300
Potash Iodide	...	15	1,552
Phosphorous	20,079	460	19,989
Plumbago	97,926	41	62,436
Potash	....	15	1,860
Pruss. potash	8,090	630	47,824
Quinine	65,033	1,038	146,949
Quicksil'r	134,196	100	63,542
Reg. antimony	70,947	231	11,557
Rhubarb	8,844	306	58,616
Saffron	. .	16	2,776
Safflower	4,632	5	8.864
Safflower ext	3,744	19	3,101
Santonine	....	3	3,018
Saltpetre	122,091	194	109.083
Salammoniac	....	10	843

	1864.	1865.	
	Value.	Quant.	Value.
Sarsap'la	35.929	381	9,534
Scamm'ny	7,203	....	1,816
Senna	2,587	27	2,342
Shellac	87,392	1,265	49,345
Soda, bicarb	206,323	67,100	198,854
Soda, sal	109,874	15,819	86,139
Soda,caustic	151,949	7,873	170,816
Soda, ash	680,056	80,263	783,416
Soda, hyd. sul	817	....	....
Sponges	47,468	1,311	67,195
Sugar lead	31,640	115	8,383
Sulph morphia	1,290	....	450
Sumac	151,087	27,515	123,806
Sul.copper	....	178	13,196
Sul. Alum	....	12	228
Sul. zinc	....	393	12,607
Velonia	791	....	....
Tonqua beans	11,070	55	6,695
Ultram'ne	1,776	....	492
Van.beans	29.482	115	30,315
Verdigris	5,320	....	1,185
Vermill'n	48,395	1,100	83,007
Vinegar	....	25	494
Whiting	....	711	933
Wormseed	4,041	....	....
Yel. ochre	14.634	1,320	4,122
Yel.berries	7,455	....	....
Drugs, unspec.	217,939	....	285,973
Emery	15,2:2	481	5,522
Fancy goods	1,749 023	....	3,547,815
Fans	12,613	....	8,509
Feathers	284.601	46	170,017
Fire crackers	41,847	2,700	77,943
Fish	502,472	2,815	1,035,448
Flax	115,016	12,440	370,984
Flour	5,074	....	....
Furs, &c.:			
Felting	21,308	486	46,425
Hatters' goods	746	72	19,086
Furs	2,053,780	6,856	2,794,445
Fruits—			
Bananas	41,963	....	45,546
Citon	70,911	40	22,244
Currants	189,772	....	59,536
Dried fruits	15 510	100	92,575
Dates	3,178	....	2,498
Figs	24,462	....	59,489
Lemons	199,579	....	255,672
Nuts	637,127	....	662,782
Oranges	437,043	....	331,397
Prs'dginger	....	....	507
Pine-apples	61.506	....	62,465
Plums	60,073	....	116,003
Prunes	58,196	....	76,428
Raisins	373,244	....	330,313
Sauces & pr	158,417	....	178,860
Grapes	2,440	....	7,196
Other fruits	....	..	2,268
Furniture	16,736	133	24,982
Grain	155,986	....	223,230
Grindstones	16,004	245	9,071
Gunny cloth	5:,562	4,608	120,936
Guttapercha	47,016	402	19,173
Guano	7,218	2.338	7.296
Hair	379,598	3,376	491.747
Hair cloth	131,514	381	155.796
Hemp	1,533.949	116,106	1,732,979
Honey	127,796	1,940	72,426
Hops	17.443	2.209	95,574
India rubber	1,196.781	26,763	1,183,421
Ivory	37,637	2,456	251,347
Instruments—			
Chemical	1,948	1	220
Mathem'cal	9,695	37	11,634
Musical	229,234	1,605	2*9,723
Nautical	895	180	18,804
Optical	95,975	279	104,189
Surgical	7,575	7	8,179

	1864.	1865.	
	Value.	Quant.	Value.
Jewelry, &c—			
Jewelry	726,919	794	1,834,960
Watches	1,450,166	1,012	1,996,478
Leather, Hides, &c—			
Boots&sh's	25,506	284	39,045
Bristles	181,812	1,611	449,126
Hides, dres	1,157,663	7,087	2,699,677
Hider, und	5,899,837	....	5,475,011
Horns	12,412	....	16,407
Leather	....	153	39,133
Leather,pat	34,347	188	80,905
Liquors, Wines, &c—			
Ale	68,445	8,636	74,519
Brandy	574,878	8,583	166.949
Beer	14,610	1,965	15,399
Cordials	17,193	1,528	8,781
Gin	81,315	3,694	30,247
Porter	35,088	4,779	40,873
Rum	60,958	829	33,939
Whisky	58,020	1,449	66,020
Wine	1,615,365	118,903	1,151,635
Cha mpagne	656,965	69,387	680,963
Alcohol	....	10	315
Metals, &c—			
Brass g'ds	41,471	720	34,133
Bronze met	50,754	....	....
Bronzes	9,934	119	16,608
Chains & Anch.	531,772	3,850	173,182
Copper	689,048	87	279,697
Copper ore	355,553	...	32,376
Cutlery	1,157,494	3,776	1,383,038
Gas fixt	4,402	9	1,581
Guns	219,756	1,154	137,792
Hardware	578,094	4,687	697,991
Iron, hoop tons	228,464	869	44,461
Iron,pig,t'n	803,783	25,780	385,678
Iron, railr'dbars	3,637,970	246,404	1,558,334
Iron, sheet, t'ns	383,979	2,872	160,078
Iron tubes	144,403	21,595	123,350
Iron, other,t'ns	3,427,850	24,130	1,134,393
Iron bridg	....	2	49,389
Lead, pigs	2,692,319	222,594	1,232,939
Lead ore	32,595	...	....
Met. goods	474,116	2,553	447,368
Nails	57,919	868	15,248
Needles	147,335	887	193,202
Nickel	124,163	101	43,556
Old metal	392,030	50	215,716
Plated w're	14,079	73	18, 17
Platina	96,554	58	82,572
Percussion caps	64,261	298	50,418
Saddlery	53,383	251	55,214
Steel	2,012,197	97,577	1,624,755
Spelter, lbs	336,540	4860241	226,985
Silverw'e	8,097	48	8,848
Tin plates, bxs	2,904,646	624,919	3,659,956
Tin slab,lb	556,778	153,024	1,256,667
Wire	49,332	6,409	95,289
Zinc	370,675	2846582	163,614
Lith. stone	3,649	....	2,635
Machinery	213,826	2,242	234,750
Lamps	2,295	.....	.....
Marble & mfd do	94,269	3	99,315
Matches	1,895	758	2,653
Macaroni	17,346	2,295	5,163
Mo s	....	....	1,409
Molasses	3,496,790	133,554	3,299,425
Oil paintings	209,482	.....	.....
Oakum	2,455	.....	.....
Onions	10,167	.....	19,855
Paper hang's	30,455	193	16,664
Pearl shells	5,342	.....	.....
Perfumery	103,756	938	190,099
Personal effects	202,602	82	404,398

	1864.	1865.	
	Value.	Quant.	Value.
Plaster	20,709	.....	30,309
Pitch	560	.....	.....
Pipes	208,047	.....	236,673
Potatoes	90,060	.....	166,018
Provisions	215,289	344	196,406
Rags	643,054	33,564	846,146
Rice	591,775	650	621,984
Rope	42,137	556	87,393
Quartz rock	3,750	...	.....
Rosin	56,788	812	7,854
Sago	2,616	1,388	19,382
Salt	448,199	....	283,761
Shells	1,501	....	.....
Seeds unspec	145,457	....	243,082
Castor seed	40,817	....	....
Linseed	914,447	117,934	503,309
Soap	150,676	19,851	65,227
Spices—			
Cassia	12,254	....	229,005
Cinnamon	2,678	..	11,985
Cloves	78,170	....	2,269
Ginger	53,972	....	50,506
Mace	...	....	22,382
Mustard	12,140	22	18,133
Nutmegs	78,617	30	97,435
Pepper	286,394	50	149,7-1
Pimento	39,090	....	5,383
Oth spices	....	....	539
Stationery, &c.—			
Books	327,716	3,938	488,977
Engravi n's	89,309	345	93,747
Paper	236,790	3,021	319,469
Oth station	181,640	1,560	221,778
Statuary	85,074	95	66,981
Sugar, hhds, bbls & tcs	12,998,667	394,45515	508,589
Sugar, bxs & bgs	2,950,089	450,932	6,467,791
Tar	106,278	1,328	4,814
Tapioca	17,824	405	11,211
Teasles	2,240	....	....
Trees & plats	24,946	....	20,849
Thistles	1,377	....	....
Tea	8,172,072	563,990	7,089,714
Twine	24,842	183	8,266
Toys	427,246	6,818	331,321
Tobacco	625,472	32,646	859,594
Tomatoes	2,826	....	2,080
Turpentine	2,491	14	1,169
Turp spirits	294,824	....	....
Waste	586,808	12,935	483,684
Whalebone	61,844	109	227,723
Wax	23,159	5	4,373
Woods—			
Box wood	1,886	....	....
Brazil wo'd	6,406	....	75,092
Camwood	240	.. .	1,793
Camph w'd	....	....	2,610
Cedar	211,067	....	65,665
Cork	68,148	....	63,399
Ebony	5,817	....	....
Fustic	32,312	29,540	72,821
Lima wood	16,635	....	278
Lign'vitae	12,836	....	24,714
Logwood	330,937	563,227	255,064
Mahogany	84,356	.. .	246,000
Palm leaf	79,508	....	....
Ratan	91,542	....	37,188
Rosewood	139,532	....	72,825
Sapanwood	2,960	....	3,245
Spruce	8,604	....	....
Willow	26,809	....	29,756
Oth woods	103,456	....	264,861
Wool, bales	9,428,409	59,615	4,863,826
Oth miscell	53,583	....	79,432
Total			$133,472,764 .. $130,557,998

CALIFORNIA GOLD, QUICKSILVER, ETC., FOR 1865.

Below we give important statistics with regard to the production of California for 1865.

RECEIPTS, SHIPMENTS, &c., OF GOLD.

The treasure movement at San Francisco, according to the *Mercantile Gazette and Prices Current*, are shown in the annexed statement.

The receipts from the interior in all the year 1865 sum up thus:

	Uncoined.	Coined.	Total.
Northern mines	$36,649,337	$3,093,110	$39,742,447
Southern mines	5,108,413	1,320,547	6,428,960
Coastwise	6,948,511	548,265	7,496,766
Total, 1865	$48,706,261	$4,961,922	$53,668,183
" 1864	47,769,984	5,743,399	53,513,383
" 1863	43,913,375	6,383,974	50,297,349
" 1862	41,877,957	5,593,421	47,471,378
" 1861	32,395,863	9,363,214	41,689,077

The exports from the port for the five years 1861-1865, as declared at the Custom House, were as follows:

To	1861.	1862.	1863.	1864.	1865.
New York	$32,628,011	$26,194,035	$10,389,329	$12,316,121	$20,583,389
England	4,061,779	12,950,129	28,467,256	34,436,422	15,422,638
China	3,541,279	2,660,754	4,206,370	7,88-,973	6,903,522
Japan		17,916	34,564	35,031	214,006
Manilla		35,652	66,200	150,135	156,505
Panama	349,769	434,508	2,503,296	378,794	1,294,844
Havana	95,920	.....	34,302	5,000	.....
Hawaiian Islands		3,000	31,253	130,103	45,920
Society Islands		.....	8,000	16,951	5,500
Mexico		5,000	155,518	175,245	152,457
Central America		10,000	77,827	45,321	90,273
Victoria, V. I		188,222	100,000	125,000	.....
France		.....	.....	.....	389,170
Chile		.....	.....	.....	50,009
Australia		121	.....	.....	.....
East Indies		63,414	.....	.....	.....
Total	$40,676,758	$42,561,761	$46,071,920	$55,707,201	$45,308,228

The following shows the total movement for the same years:

	Receipts at port.			Exports as above.		Annual movement.
	Interior.	Foreign.	Total.			
1865	$53,668,183	$1,799,390	$55,467,573	$45,308,228	Inc.	$10,159,345
1864	53,513,383	1,715,094	55,228,407	55,707,201	Dec.	476,794
1863	50,297,349	2,156,612	52,453,961	46,071,920	Inc.	6,382,041
1862	47,471,378	1,904,084	49,375,462	42,561,761	Inc.	6,813,701
1861	41,689,077	1,702,683	43,391,760	40,676,758	Inc.	2,715,002

QUICKSILVER RECEIPTS AT AND EXPORTS FROM SAN FRANCISCO.

The exports of quicksilver from California during the year, as given in the *Mercantile Gazette*, of San Francisco, show a considerable excess over 1864, there being an increase of 5,551 flasks. China is by far the largest consumer, in fact taking nearly one-half of our entire shipments. Europe, Mexico, Peru, and Chile are next in order, and the balance is generally distributed throughout the markets of the world. The export price is fixed at 55c, and for home use 65c per lb is demanded. Heretofore, as now, the New Almaden Mines have furnished the bulk of supplies; but it is proper for us here to state that the Lake Manufacturing Company, situated in Sonoma County, has produced in the aggregate, since its opening in September, 1862, 6,755 flasks, the bulk of which is sold by the owners to their regular trade customers. The

yield of the New Almaden Mine, during the year 1865, was 47,194 flasks. The total receipts for each month during the year were as follows:

	Flasks.		Flasks.
January	3,788	July	3,716
February	3,512	August	4,500
March	3,427	September	4,606
April	4,050	October	3,010
May	4,501	November	3,889
June	4,000	December	4,271
Total flasks			47,194

We also give the exports to the different countries for 1865, and also for the five previous years, as follows:

To	1860.	1861.	1862.	1863.	1864.	1865
To New York and Boston	400	600	2,265	95	1,495	6,800
Great Britain	...	2,500	1,500	1,063	1,609	10,400
Mexico	3,?86	12,061	14,778	11,590	7,483	2,789
China	2,715	13,788	8,735	8,889	18,908	14,248
Peru	750	2,804	3,439	3,376	4,300	5,500
Chile	1,040	2,059	1,746	500	2,674	2,000
Central America	...	110	40	40	30	8
Japan	...	50	25	...	269	500
Australia	100	1,850	800	300	100	200
Panama	130	57	494	130	45	...
Victoria, V. I	326	116	5	42	21	24
Total flasks	9,448	35,995	33,747	26,014	36,918	42,469

And our exports previously have been—

	Flasks.		Flasks.
1859	8,399	1856	23,740
1858	24,142	1855	27,165
1857	27,962	1854	20,963

SAN FRANCISCO MINT STATISTICS.

The Superintendent of the Branch Mint at San Francisco has furnished the following very complete tabular statement of the business of that establishment during the past year:

Deposits of Gold and Silver Bullion and Coinage at the United States Branch Mint San Francisco, for the year ending December 31st, 1865:

Gold Deposits	$21,173,628 44
Silver Deposits	620,889 68
Total Gold and Silver Deposits	$21,800,598 12

GOLD COINAGE DURING THE YEAR 1865.

Months.	Double Eagle.	Eagles.	Half Eagles.	Quarter Eagles.	Total.
January	$1,410,000	$30,000	$15,560	$20,640	$1,476,200
February	600,000	....	....	....	60,000
March	745,000	....	....	....	74,500
April	2,690,000	....	....	....	2,690,000
March	2,125,000	....	....	...	2,125,000
June	2,265,000	32,000	35,000	....	2,322,000
June	2,555,000	....	....	12,800	2,567,800
August	1,845,000	....	....	....	1,845,000
September	2,090,000	105,000	47,500	....	2,242,500
October	1,585,000	....	50,000	25,000	1,660,000
November	1,525,000	...	....	....	1,525,000
December	1,345,000	....	....	....	1,435,000
Totals	20,870,000	167,000	138,060	58,440	21,233,500

LOCALITIES FROM WHENCE GOLD WAS RECEIVED.

California	$12,280,563 18	Arizona	$30,411 57
Idaho	3,161,132 22	Parted from Silver	280,033 24
Oregon	1,195,266 09	Fine Bars	3,699,407 83
Montana	274,786 66	Foreign Coin	30,999 16
Nevada	15,135 09	Foreign Bullion	205,904 40

The actual condition of the bond account is as follows:

	Amount.	In Sinking Fund.	Out-standing.
Bonds of 1855	$600,000	$91,000	$509,000
" of 1863	300,000	100,000	200,000
" of 1876	500,000	3,000	497,000
Total	$1,400,000	$194,000	$1,206,000
Against this the City own real estate		$1,121,703 00	
Improvements thereon		310,550 00	
Total value of real estate, etc			$1,432,353 00
And personal estate valued at about			110,000 00
Total value of real and personal			$1,542,353 00
The receipts for the year ending September 30, 1865, including $39,238.93 balance from previous year amounted to			$728,428 61
And the expenditures for the same year to			720,365 12
Leaving a balance, September 30, 1865, of			$8,063 49

The principal sources of *income* were: taxes $528,849.17; Public Schools, from State $10,512.06, and from registry taxes, $3 112 20: Reform School, from State, $18,528.28; interest from H. P. & F. R. R. Co., $35,000 or less U. S. tax, $33,250.00, interest account $5,800.39; highway account $10,983.37; rents $6,002.12; licenses $24,742.72; police $5,947.96; loan $22,-110 86; etc., etc.

The chief items of *expenditure* were; school department $89.372.04, fire department $41,758 92; highways $45,580.23; police $86,872 83; salaries $16,395.52; health department $5,649 48; lamp department $55,952.46; support of poor $17,301.63; reform school $22,030 98; harbor account $4 810.94; printing $3,616.90; celebration July 4. $5,725 00; aid and relief $33,248 76; State of Rhode Island $168 927.61; sinking funds $15,000 00; interest on H. P. & F. R. R. bonds $35,000 or less U. S. tax $33,220.00: interest on city bonds $49,500.00, etc., etc.

The Sinking Funds are increased annually as follows: that for the redemption of city 6 per cents by an appropriation of $10,000 and that for the redemption of city 5 per cents by an appropriation of $5,000. The H. P. & F. RR. Sinking Fund is increased by the difference between what the city pays on its own bonds issued to said Company, and what it receives from said Company, namely, 1 per cent per annum, or in the aggregate $5,000, less U. S. income tax. The proceeds of the securities held by each Sinking Fund further increases these funds.

The population of Providence in 1860 was 50,666. If in 1865 it had risen to 52.885, the tax receipts in that year would be $10 per capita. This includes also the State taxes paid by the city, viz, $168,927 61.

Several of the items of receipt and expenditure are mere transfers from one side to the other, thus of the $168,927 61 paid to the State, the city got back $19,512 06 for public schools, and $18,528 28 for the reform school. The receipts on account of H. P. & F. R.R. bonds are balanced by the disbursements on the same account. The aid and relief item is only temporary. These and other items materially reduce the actual charges against the city either now or in the future.

THE UNITED STATES DEBT.

DEBT BEARING INTEREST IN COIN.

Denominations.	Jan. 1, 1866.	Feb. 1.	March 1
6 per cent, due December 31, 1867	$9,415,250	$9,415,250	$9,415,250
6 do July 1, 1868	8,908,312	8,908,341	8,908,342
5 do January 1, 1874	20,000,000	20,000,000	20,000,000
5 do January 1, 1871	7,022,000	7,022,000	7,022,000
6 do December 31, 1880	18,415,000	18,415,000	18,415,000
6 do June 30, 1881	50,000,000	50,000,000	50,000,000
6 do June 30, 1861, exc'd for 7.30s	139,230,800	139,233,250	139,2[illegible]8,1[illegible]0
6 do May 1, 1867-82 (5.20 years)	514,780,500	514,780,500	514,780,500
6 do Nov. 1, 1870-85 (5.20 years)	100,000,000	100,000,000	100,000,000
6 do Nov. 1, 1870-84 (5 20 years)	50,590,300	50,590,300	61,263,000
5 do March 1, 1874-1904 (10.40s)	172,770,100	172,769,100	172,769,100
6 do July 1, '81 (Oregon war)	1,016,000	1,016,000	1,016,000
6 do June 30, 1881	75,000,000	75,000,000	75,000,000
Aggregate of debt bearing coin interest	$1,167,148,292	$1,167,149,742	$1,177,867,292

DEBT BEARING INTEREST IN LAWFUL MONEY.

4 per cent Temporary Loan (10 days' notice.)			
5 do do do			
6 do do do	$97,257,195	114,755,840	$118,577,989
6 do Certificates (one year)	60,667,000	60,637,000	62,264,000
5 do One and two-years' notes	8,536,900	8,536,900	8,536,900
6 do Three years' com. int. notes	180,012,141	189,012,141	174,012,141
6 do Thirty-year bonds, (ent'l Pacific R.)	2,362,000	2,362,000	2,362,000
6 do do (Union Pacific R. E. Div.)	640,000	992,800	1,532,800
7.30 do Three years' treasury notes, 1st series	300,000,000	300,000,000	818,044,000
7.30 do do do 2d series	300,000,000	300,000,000	.....
7.30 do do do 3d series	230,000,000	230,000,000	.....
Aggregate of debt bearing lawful money int.	$1,179,475,236	$1,197,295,881	$1,185,428,980

DEBT ON WHICH INTEREST HAS CEASED.

7.30 per cent Three-years' Notes	$240,000	$233,500	$167,350
do Texas Indemnity Bonds	726,000	665,000	618,000
Other bonds and notes	200,880	200,880	200,[illegible]30
Aggregate of debt on which int. has ceased	$1,166,880	$1,099,330	$985,780

DEBT BEARING NO INTEREST.

United States Notes	$426,231,390	$423,902,223	$423,495,373
Fractional currency	26,000,420	26,553,244	27,523,734
Currency	$459,519,950	$450,455,467	$450,959,107
Gold certificates of depos't	7,288,140	8,391,080	12,627,600
Uncalled for pay requisit'ons	1,230,006	.....	.....
Aggregate of debt bearing no interest	$459,519,950	$458,846,547	$463,586,707
Amount in Treasury—			
Coin	$45,735,551	$51,443,162	$55,736,192
Currency	44,993,271	56,050,186	60,282,767
Total in Treasury	$90,728,822	$107,493,348	$116,018,959

RECAPITULATION.

Debt bearing interest in coin	$1,167,148,292	$1,167,149,742	$1,177,867,292
Debt bearing inter'st in lawful money	1,179,475,236	1,197,295,881	1,185,428,980
Debt on which interest has ceased	1,166,880	1,373,920	985,780
Debt bearing no interest	459,519,950	458,846,547	463,586,707
Aggregate debts of all kinds	$2,807,310,358	$2,824,391,500	$2,827,868,759
Cash in treasury	90,728,822	107,493,348	116,018,959

LEGAL TENDER NOTES IN CIRCULATION.

One and two years' 5 per cent notes	$8,536,900	$8,536,900	$8,536,900
United States notes (currency)	426,231,390	423,902,223	423,495,373
Three years' 6 per ct comp. int. notes	180,012,141	180,012,141	174,012,141
Aggregate legal tender notes in circulation	$614,780,431	$612,451,264	$605,984,414

IMMIGRATION.

The following table shows the number of emigrants that have arrived at this port during the month of January, and the names of the several European ports of their embarkation. It will be seen that there is a large increase over last year:

Date. 1866.	Name of port.	Nation.	Total.
Jan	Liverpool	Great Britain	4,518
Jan	Glasgow	Great Britain	518
Jan	London	Great Britain	390
Jan	Rotterdam	Germany	2 0
Jan	Bremen	Germany	2,625
Jan	Hamburg	Germany	2,409
Jan	Havre	French	399
Jan	Genoa	Sardinian	56
	Total Jan., 1866		11,175
	Total Jan., 1865		5,319

The following statement shows the ports whence emigrant passengers have arrived, together with the nationality and number of vessels; also, the number of emigrant passengers and others from each port landed at Castle Garden for the year 1865:

Port from whence sailed.	Nations.	No. of vessels.	No. of bondable passeng's aliens.	No. returned to U. S. not aliens.	Total pas'ng's arrived.
Liverpool	Great Britain	245	107,286	4,604	111,890
London	Great Britain	36	6,736	282	7,018
Glasgow	Great Britain	24	9,177	285	9,462
Australia	Great Britain	1	56	16	73
Londonderry	Great Britain	3	576	26	602
Shields	Great Britain	1	22	3	25
New-Port	Great Britain	1	15	9	24
Havre	France	18	4,850	68	4,918
Rotterdam	Holland	9	502	12	514
Bremen	Bremen	99	34,641	313	34,954
Hamburg	Hamburg	60	27,888	95	27,983
Antwerp	Belgium	12	2,211	21	2,232
Genoa	Sardinia	4	249	41	290
Algea Bay	Great Britain	1	46	1	47
Totals		514	195,255	5,776	200,031

THE LINES OF STEAMSHIPS AND THEIR PASSENGERS.

The following is a statement of the lines of steamships and their varied classifications, by which emigrant passengers arrived at this port during the year 1865, with their respective totals:

Name of Steam Lines.	No. of Trips.	First Cabin.	Second Cabin.	Steerage.	Total.
Dale or Inman	80	3,535	....	41,693	45,228
Cunard (both)	27	3,672	....	245	3,917
Glasgow or Anchor	25	468	....	8,837	9,305
National	40	1,093	....	28,841	29,934
Bremen	24	1,421	2,255	11,519	15,195
Hamburg	29	1,089	2,037	14,926	18,052
Bremen and North America	1	15	....	450	465
Havre	11	1,774	....	....	1,774
London and Havre	8	193	....	3,312	3,560
Total	254	13,260	4,937	109,823	128,020
By sailing vessels					72,011
Grand total emigrants arrived					200,031

MONTHLY ARRIVALS OF 1865.

January	5,319	July	21,290
February	2,466	August	22,011
March	6,171	September	23,204
April	10,818	October	20,089
May	24,451	November	24,995
June	27,119	December	12,118
Total			200,031

COPPER MINING COMPANIES.

The following statistics of the Copper Mining Companies of Lake Superior, have been compiled from official sources by Dupee, Beck & Sayles, stock brokers, 22 State street, Boston:

Companies.	Shares.	P'd in.	Div'ls.	Companies.	Shares.	P'd in.	Div'ls.
Adventure*	20,000	6 ,000	.....	Lake Sup'r*	20,000	40,000	.....
Ætna†	20,000	220,000	.....	Madison‡	20,000	120,000	.....
Alb. & Bost‡	20,000	515,000	.....	Mandan†	20,000	85,000	.....
Algomah‡	20,000	60,000	.....	Manhattan‡	20,000	110,000	.....
Allouez‡	2 ,000	25,000	.....	Mass§	20,000	88,825	.....
American§	20, 00	20,000	.....	Medora§	20,000	88,373	.....
Amygdal'd†	20,000	340,000	.....	Mendota*	10 ,000	147,500	.....
Arnold‡	20,000	20,000	.....	Merrimac†	20,000	13 ,000	..
Atlas‡	20,000	40,000	.....	Mesnard‡	20,000	160,000	.....
Aztec‡	2 ,000	90,000	.....	Milton*	20,000	30,000	..
Bay State‡	20,000	265,000	.....	Minnesota*	20,000	366,000	1760,000
Bohemian†	20,000	350,000	.....	National§	20,000	110,000	280,000
Boston‡	20,000	45,000	..	Native‡	20,000	39,000	.....
Caledonia*	20,000	100,000	.....	Naumkeag‡	20, 00	20,000	.. ..
Central*	20,000	100,000	100,000	North Cliff§	20,000	79,000	.....
Concord‡	20,000	80,000	.....	N. Western§	20,000	227,258	.....
Cop. Falls‡	20,000	49 ,000	60,000	Norwich*	20,000	220,000	.....
Cop. Harbor‡	20,000	20,000	.....	Ogima*	20,000	140,000	.....
Dana†	20,000	65,000	.....	Pennsyl*	20,000	1000,000	... ..
Dacotah §	20,000	58,505	.....	Petheric‡	20,000	105,533	.....
Delaware†	20,000	410,000	.... .	Pewabic‡	20,000	75,000	330,000
Devou‡	20,000	20,000	.....	Phenix‡	20,000	800,000	... ..
Dorcester†...	20,000	30,000	.....	Pittsb. & Bost§	20,000	110,000	2100,000
Dudley‡	20,000	35,000	.....	Pontiac‡	20,000	264,000	.....
Eagle River‡	2 ,000	65,000	.....	Quincy*	20,000	200,000	700,000
Edwards*	20,000	32,500	.....	Resolute†	20,000	120,000	.....
Empire†	20,000	200,000	..	Ridge*	20,000	160,000	.....
Evergr'n Bl*	20,000	110,000	.....	Rockland*	20,000	240,000	.. ..
Everett‡	20,000	20,000	..	St. Clair‡	20,000	60,000	.....
Fl't Steel R†	20,000	184,000	..	St. Louis‡	20,000	20,000	.. ...
Franklin§	20,000	170,000	220,000	St. Mary's‡	20,000	110,000	.....
Girard*	20,000	100,000	.....	Salem‡	20,000	10,000	.. ...
Gt. Western‡	20,000	40,000	.....	Seneca*	20,000	20,000	.....
Hamilton‡	20,000	40,000	.. .	Sharon*	20,000	2,000	.....
Hancock‡	20,000	350,000	.....	Shel. & Col*	20,000	420,000	.....
Hanover*	20,000	30,000	.... .	S. Pewabic‡	20,000	20,000	.....
Highland*	20,000	20,000	.....	South Side*	20,000	40,000	.....
Hilton‡	20,000	50,000	.. .	Star‡	20,000	235,000	.....
Hope‡	20,000	22,750	... ..	Superior*	20,000	160,000	.....
Hulbert‡	20,000	15,000	.....	Toltec‡	20,000	420,000	.....
Humboldt‡	20,000	100,000	.....	Tremont‡	22,000	32,000	.....
Hungarian*	20,000	20,000	.....	Victoria‡	20,000	30,000	.....
Huron*	20,000	380,000	.....	Vulcan†	20,000	120,000	.....
Indiana*	20, 00	200,000	.....	Washington†	20,000	20,000	.. ...
Isle Royale*	20,000	660,000	. ..	W. Minn'st	20,000	45,000	.....
Keweenaw*	20,000	100,000	.....	Winona†	20,000	60,000	.....
Knowlton‡	20,000	160,000	.....	Winthrop‡	20,000	90,000	.....

The capital stock of the Albany and Boston, Isle Royale, and Pennsylvania is $1,000,000 each divided into 20,000 shares, par value $50. The capital stock of the Mendota is $500,000, in 100,000 shares, par value $5. The capital stock of the Quincy is $200,000, in 20,000 shares of $10 each. The capital stock of all other Lake Superior copper companies is $500,000 each, divided into 20 000 shares, par value $25.

The whole amount paid in is $13,109,154. This does not include the original cost of mining location, nor the sums derived from the sale of copper, which have been expended in developing the mines. The aggregate of cash dividend is $5,600,000.

Offices—*New York; †Philadelphia; ‡Boston; §Pittsburg.

PRODUCTION OF GOLD AND SILVER.

Many questions of interest suggest themselves connected with the relative production of the precious metals. Previous to the discoveries in California, gold uniformly commanded a premium; its influx at that time quickly destroyed this, and the continued demand for silver resulted in its being at a slight premium. The ounce of gold in London in 1848 was 77s 6d, and the ounce of standard silver 59½ or 15⅝ for 1. With the influx of gold from California, France, as is well known, gradually exchanged her silver for a gold currency, and India absorbed the silver in exchange for silks and other commodities. During the war cotton at high prices has been added to other articles for which silver was sent to India. On Jan. 1, 1866, the price of silver was 62d, or 4.2 per cent rise since 1848.

These facts are of interest in connection with the following tables which we have compiled showing the total production of gold and silver since 1847. The first table gives the estimated amounts of gold yielded by all the producing countries from 1848 to 1865 both years inclusive—the first fifteen years by quinquennial periods and the last three years separately:

PRODUCTION OF GOLD, 1848-1865.

[The amounts expressed in millions of dollars.]

Countries of Production.	Quinquennial Periods.			Years.			Total for 18 year.
	48-52.	53-57.	58-62.	1863.	1864.	1865.	
NORTH AMERICA:							
Mexico, &c.	18 0	20.0	20.0	4.1	4.4	4.5	71.0
United States (Atlantic	3.0	3.0	2.6	..	..	..	8.6
SOUTH AMERICA:							
Venezuela & N. Grenada	7.0	7.0	7.5	1.6	1.4	1.5	26.0
Bolivia	4.5	4.6	4.8	1.0	1.2	1.2	17.3
Brazil	9.7	8.1	13.4	3.6	3.9	3.9	42.6
Peru	6.2	6.9	6.3	1.6	1.6	1.6	24.7
Chili	5.6	5.8	5.3	1.2	1.2	1.2	20.3
ASIA:							
Malay Peninsula	7.0	7.5	8.0	1.8	1.9	2.0	28.2
Further India	20.0	22.0	18.0	4.3	4.0	4.0	72.3
Eastern Archipelago	12.0	12.0	14.0	2.6	2.8	2.8	46.2
Japan	36.0	36.0	36.6	7.5	7.5	7.5	130.5
China and Tibet	85.0	85.0	85.0	17.0	16.3	16.5	304.8
NORTHERN EUROPE & ASIA	110.0	110.0	112.0	24.7	26.9	27.5	411.1
EUROPE:							
Germany	2.5	2.5	2.5	0.5	0.5	0.5	9.0
Austria & Italy	6.6	8.0	8.0	1.7	1.7	1.7	29.1
Spain	14.2	14.7	16.0	3.6	4.1	4.2	56.8
AFRICA	25.0	30.0	35.0	7.0	6.5	6.5	110.0
Total, Old sources	373 7	388.1	394.9	83.8	85.9	87.1	1,406.6
UNITED STATES (Pacific)	251.0	320.0	287.0	60.0	65.0	72.5	1,056.5
BRITISH NORTH AMERICA	.. .	.6	18.0	8.9	10.0	12.0	49.5
AUSTRALIA & N. ZEALAND	68.0	325.0	261.0	44.0	46.0	48.0	792.0
Total New sources	319.0	645.6	566.0	112.9	121.0	132.5	1,897.0
Other Countries	10.0	10.0	10.0	2.0	2.0	2.0	36.0
Grand Total	702.7	1,033.7	970.9	198.7	208.9	221.7	3341.5

The aggregate for the eighteen years embraced in the statement being $3,341,500,000, gives for that period an annual average of $185,638,888 additional to the world's stock of gold—an average constantly on the increase by the opening of new regions and the adaptation of scientific processes to its extraction.

PRODUCTION OF SILVER 1848-1865.

(The amounts expressed in millions of dollars.)

COUNTRIES OF PRODUCTION.	Quinquennial periods. '48-'52.	'53-'57.	'58-'62.	Years. 1863.	1864.	1865.	Total for 18 years.
NORTH AMERICA:							
Mexico, &c	168.0	172.0	165 0	25.0	25.0	25.0	580.0
United States	....	2.0	20.0	6.0	10.0	15.0	53.0
SOUTH AMERICA:							
Bolivia	20.0	20.0	20.0	4.0	4.0	4.0	72.0
Brazil	6.0	8.0	8.0	2.5	2.5	2.5	29.5
Peru	32.0	32.0	32.0	8.0	8.0	8.0	120.0
Chili	18.0	18.0	18.0	3.8	4.0	4.0	65.8
Venezuela & N. Granada	4.0	5.0	6.0	1.4	1.6	1.6	19.6
ASIA:							
Malay Peninsula	5.0	5.0	5.0	1.0	1.0	1.0	18.0
Farther India	10.0	10.0	10.0	2.0	2.0	2.0	36.0
Japan	40 0	40.0	40.0	8.0	8.0	8.0	144.0
China and Tibet	55.0	55.0	60.0	12.0	12.0	12.0	206.6
NORTHERN EUROPE & ASIA	16.0	18.0	20.0	4.0	4.0	4.0	66.0
EUROPE:							
Germany	10.0	10.0	12.0	2.5	2.5	2.5	39.5
Austria	10.0	10.0	10.0	2.0	2.0	2.0	36.0
Spain	12.0	13.5	15.0	3.0	3.0	3.0	49.5
England	2.5	3.0	3 5	.7	.8	.8	11.3
AFRICA	6.0	6.5	7.0	1.5	1.5	1.5	24.0
Other countries	12.5	13.7	15.0	3.0	3.0	3.0	50.2
Grand total	427.0	441.7	466.5	90.4	94.9	99.9	1,620.4

For the whole eighteen years the production has thus apparently amounted to $1,620,400,000 or on the average $90,022,222 yearly. Except so far as relates to the United States, there has been but a moderate increase in the annual yield since 1847.

To obtain the weight of metal produced we must multiply the amount in dollars by 25.8 grains for gold and by 412.5 for silver, thus—

Gold.	Silver.
3,341,500,000 dols.	1,620,400,000 dols.
25.8	412.5
86,210,700,000 grs.	668,415,000,000 grs.
12,315,814 lbs.	95,487,857 lbs.
6,157 tons.	47,743 tons.

or nearly in the proportion of eight tons of silver to every ton of gold produced.

The above, however, is gold and silver nine tenths fine and to reduce them to fine metal a tenth must be deducted. The quantity of fine gold produced was thus approximately 5,542 tons avoirdupois or 307¼ tons a year, and the quantity of fine silver 43,969 tons or 1,832 tons a year.

A cubic inch of water weighs 252½ grains and the specific gravity of gold is 19 3, or gold is so many times heavier than water. Hence, a cubic inch of gold weighs 4,873½ grains, or 0.69618 lbs. avoird. A cubic foot is 1,728 such cubic inches, and the weight of a cubic foot of gold is about 1,203 lbs. avoird. The whole of the fine gold produced in eighteen years was 5,542 tons or 11,084,000 lbs., an amount which would occupy a space equivalent to 9,213½ cubic feet. A solid shaft 92 feet high and 10 feet square would represent this amount. It would build a wall 1,842½ feet long, one foot thick and five eet high. If melted it would fill 68,916 wine gallons or about 1,094 hogsheads of 63 gallons. Such illustrations will aid the mind in comprehending the magnitude of the gold heap collected from the various sources yearly, or, as above, in a period of years. Cut into slabs one inch thick, the same amount would cover a space of 110,562 square feet! Divide any of the above sums by 18 and you obtain the weight, bulk or extent of the annual gold crop.

The specific gravity of silver is 10.5, or it is so many times heavier than water. It will therefore take not much more than one half the weight of this metal to perform the same offices we have assigned to gold in the above calculations.

THE PHILOSOPHY OF SHIPMENTS.

People who are not engaged in commerce do not understand the means by which the prices of flour and provisions are kept up in the home market above the prices which rule in foreign markets to which they are shipped. We will relate the case of a flour merchant in New York which will give a clear idea of the means. He received from the West about 5,000 barrels of flour every week; for which he gave his note on twenty days. This closed the transaction as far as the Western dealer was concerned. The demand for home consumption took about 1,000 barrels, leaving him 4,000 on hand. With these he went to a shipowner, who advanced him the market prices in Liverpool on them, deducting the freight. This was so much freight to his shipping, and this freight was consigned to his agent in Liverpool, who, of course, had his commission for selling it. By shipping the surplus flour, he kept the home price up, and the advance received from the shipowner enabled him to meet his notes when they matured. If the market in Liverpool ruled in his favor, he made a handsome profit both at home and abroad; but if it ruled against him then he refunded to the shipowner, the loss sustained on the money advanced to him. Frequently the profits of the home market were so great that he could afford to pay this reclamation without difficulty and still maintain his credit. But eventually a series of good crops abroad so depressed the foreign markets, and the more he shipped the more he lost. The freight of shipment, the rent of storage, the insurance, and the commissions, absorbed far more than the profits of the home market, and he failed for over $500,000, and had no assets, yet sustained the reputation of an honest man.

The argument used by the merchants in favor of such a mode of traffic is that it tends to make business brisk. It gives employment to trucking, shipping and commission merchants, and makes money circulate. But its morality is questionable. It compels the poor, who are least able to bear it, to pay perhaps fifty per cent more for their flour than they would if trade took its legitimate course. That is, if those who wanted our breadstuffs or provisions, came into our markets and bought them.

We are happy to learn that this style of transacting business is not so common now as it has been. Shippers have been too often bitten by reclamations, to send flour or provisions abroad without a fair prospect of profit. Flour is often cheaper in Liverpool than in New York. We heard of a case not long since where a shipper said that he had 2,000 barrels of flour on board of a ship then about due in Liverpool, which he could afford to carry back to New York from which the flour was shipped, and make a handsome profit on it. While the present exorbitant prices are sustained in our markets, there will not be much provisions or flour shipped for England, and as there is an abundance of both in the country and no demand from abroad, prices in the home markets must give away.

INTERNAL REVENUE RETURNS.

The following is a recapitulation of the total collections of internal revenue for the fiscal years ending June 30, 1863, '64, and '65, respectively as published in the Times:

Articles and Occupations.	COLLECTIONS FOR. 1863.	1864.	1865
Total receipts Manufacturers	24,403,091 34	75,461,278 00	104,879,609 56
Slaughtered animals	710,712 57	698,549 73	1,261,357 09
Gross receipts	1,340,271 82	2,902,869 90	8,991,874 13
Sales	64,003 87	141,231 58	4,052,243 54
Licenses	6,794,178 42	7,178,205 26	12,613,473 67
Income	455,721 26	13,933,362 73	20,740,451 33
Legacies, &c	56,592 61	311,161 09	546,703 17
Schedule A	365,530 93	696,878 43	780,266 53
Passports, &c	8,406 00	11,601 60	29,533 39
Special incom	.....	.....	28,929,312 02
Penalties, &c	27,170 14	185,224 94	517,627 41
Banks, Railroad Co.'s, &c	1,910,936 97	7,017,547 06	14,385,606 63
Salaries	696,181 71	1,705,124 63	2,826,333 37
Stamps	4,140,175 29	5,894,945 14	11,162,3 2 14
United States Marshals	.....	308 :2	2,735 29
Solicitor of the Treasury	.....	7,967 92	.....
Grand Total	$41,003,192 93	*$117,145,748 52	$211,129,529 10

COMMERCIAL CHRONICLE AND REVIEW.

Dullness in business circles—Inflation and contraction—Sudden changes in the Money Market—Rates of loans and discounts—Prices of American securities at London and New York—Treasure movement at New York—Public debt statement—Prices of railway shares and railway earnings—Course of gold and exchange for the month.

The dulness in business circles, noticed in our last number, still continues;—uncertainty with regard to the future of our monetary affairs is the principal cause. Congress has as yet taken no action on the finance bill reported, though it is believed that in its present shape it cannot pass. In the absence of any decided Government policy, imaginary, as often as real causes, affect prices. Rumor at one time says that our National Banks are to be granted an additional circulation, and consequently that we are to have a policy of inflation with higher prices; the next day it is stated as positively settled that the opposite course will be pursued. Under these circumstances business men find it more difficult than ever before to forecast the future, and act, therefore, with great caution.

Under a deranged and depreciated currency this sensitiveness and uncertainty of the money market must always exist. What we want is a settled policy of slow but sure return to specie values. No axiom of political economy is better established than that money, like other things of prime necessity, rises or sinks in value according to the great law of supply or demand. It is only by the light of this principle that a paper currency can be regulated, and a better illustration could scarcely be cited than our Continental paper money. When first emitted in June, 1775, this new paper currency was welcomed as National money, and was much more valued than the local bills of the several States; thus it passed freely everywhere at par with coin. This satisfactory position of

* Including $325,076 08, amount refunded.

things continued as long as there was no more currency afloat than the business of the country required. When, however, the point of saturation was passed, every addition to its quantity brought new depreciation to its value, and though penalties and patriotism were in turn appealed to, and all imaginable expedients except a diminution of the quantity were put in force to avert the fatal catastrophe, popular confidence was gradually undermined; the Continental notes sank lower and lower in value, till at length, like other worthless shinplasters, they became a public nuisance, and by a convulsive effort were driven from the circulation altogether, and ceased to circulate as money.

John Stuart Mill, in an essay which has just been published in this country, offers, on the subject of depreciation, the following very just observations:

> Several times since paper credit existed, governments and public bodies have got into their hands the power of issuing a paper currency without the restraint of convertibility, or any limitation of the amount. The most memorable cases are those of Law's Mississippi scheme, the Assignats, and the Bank restriction in 1797. On these various occasions a depreciation did, in fact, take place; but the intention was not proposed of producing one, nor were its authors in the slightest degree aware that such would be the effect. The important truth that currency is lowered (*cæteris paribus*) in value by being augmented in quantity was known solely to speculative philosophers. The practicals had never heard of it, or, if they had, disdained it as a visionary theory. Not an idea was entertained that paper money, which rested on good security, which represented, as the phrase was, real wealth, could ever become depreciated by the mere amount of the issues.
>
> But now this is understood and reckoned upon, and is the very foundation of the scheme. Everybody, with a few ridiculous exceptions, now knows that increasing the issue of inconvertible paper lowers its value, and thereby takes from all who have the currency in their possession, or who are entitled to receive any fixed sum, an aliquot part of their property or income; making a present of the amount to the insurers of the currency, and to the persons by whom the fixed sums are payable.

The cause of depreciation then is over-issue. It is important for us to know this; for in finance, as in medicine, the knowledge of the disease is half the cure. The Continental money, the assignats, all the paper money ever issued by any stable government—if it has depreciated, has uniformly lost its value from this one efficient cause, redundancy. And if, on looking back through the history of our old continental paper money, and of the assignats, we see that they passed through the swiftly recurring stages of par value, depreciation and demoralization, till they finally expired without a groan, we may rest well assured that these results were produced by over-issue.

Great, however, as were the evils which made the old continental currency of so fearful and ominous a memory to our Revolutionary fathers; the wide-spread ruin which would be produced among us at present by such a calamity would be infinitely more intolerable. For a highly organized civilization is exquisitely sensitive, while a simple agricultural community is more hardy. In 1775, the population of this continent was below three millions, and the external trade twenty millions, while the internal traffic was small. There were few manufactories, and the farmers required scarcely anything which they did not raise. Hence most of them could lose little by the war, except the growing crops, which might be renewed the next year. It is on this account argued that the Southern States suffered less by the frightful expansion and final collapse of their paper money bubble than if they had lived by manufactures and commerce, and con-

sequently if their industrial system had reposed more completely on the sensitive and tremulous foundation of public and private credit.

The cardinal defect of all these issues of paper currency was, that the quantity was regulated, not by the demands of trade, but by the exigencies of war and the financial wants of the Government. This was the case with our own present paper issues to a great extent, and in consequence we have now in circulation eight hundred millions of active currency, though the business of the nation does not require two-thirds of that sum, and will probably require less still when the derangement of industry due to the war shall have passed away; for in the normal activity of peace and prosperity, it is one important characteristic that much less currency is necessary for the transaction of business than in presence of war.

In view of these principles and facts it is strongly urged that the weakest point in our financial position at present seems to be that Congress has lost sight temporarily of its clearly defined policy with regard to the currency. Merchants and capitalists, manufacturers and professional men are alike interested with the widows, the orphans and the weaker members of our community in the momentous questions which arise out of the past depreciation and the future restoration of our paper money. To the question, what is a dollar? it is impossible to give any answer that will hold good for a week. The legal tender dollar may be worth 10 or 15 per cent more next month than to-day. How then shall our business men, without incurring serious risk, make engagements, as they must do, and incur obligations extending over two, three or four months? How shall the multitudes of our citizens who live on fixed incomes and annuities adapt their expenses to their incomes?

This uncertainty was submitted to during the war, as an abnormal condition which might not be avoided, but now that peace is restored, an anxiety is spreading throughout all departments of our social, political and commercial life, which is not a little significant. An evening paper thus refers to some of the symptoms of this wide spread solicitude:

"Wall street is unsettled by the incertitude which still hangs over the policy of the Treasury, relative to the reduction of the currency, and reports are industriously circulated that the volume of paper money is to be increased by the addition of fifty millions to the three hundred millions of national bank notes already authorized. The compound notes are now so much in demand, and are becoming so generally popular throughout the country, that considerable surprise is expressed that no steps are taken to reduce the active currency by exchanging for these compound notes a part of the greenback legal tender circulation. This conversation has been abundantly proved by experience to be a safe and effectual method of contracting the currency and checking inflation and there is no necessity to wait for the passage of the new loan bill or of any other law whatsoever, as the act of June 30, 1864 authorizes the conversion into compound notes of the whole or any part of the outstanding greenback circulation. It is claimed, moreover, that the present time is peculiarly propitious for such a change, as money is easy and the government credit good. Besides, the contracting action of the compound notes is so gentle and gradual that there is no danger of the money market being perturbed or invaded by stringency from the adoption of this conservative policy."

Now in this emergency there are two things for which the people look to Congress. First, all parties expect an early positive pledge that under no pretext whatever shall the volume of our outstanding paper money receive any increase whatever, either by the issue of national bank notes or in any other way: and secondly, that our representatives shall in some clear positive way ex-

press their intention to favor and to urge forward the persistent adoption of the best conservative safe method that can be devised for reducing the amount of the currency and bringing its value gradually to par. The process of contracting the currency by means of compound interest notes has been recommended by us because it has proved more effective and more advantageous in the past than any other known method. If any better contracting machinery can be discovered, by all means let it be adopted; but what the nation specially asks for, is steady persistent reduction of the currency, and the restoration as soon as possible of the gold dollar as the standard of value.

The Money Market through the month has been without material change until during the last week of the month, when suddenly, and without any very apparent cause, there was a sudden return to temporary stringency. These flurries well illustrate what was said above, that under a deranged and depreciated currency it is next to impossible to foresee the changes of the loan market, which is sensitive to imaginary as well as to the ordinary real causes of stringency. For instance, on Tuesday of the week in question loans on call were, as they had been for some time before, in fair demand at 6 per cent in Wall street. Money was easy, and neither lenders nor borrowers saw even a speck of cloud in the financial horizon. Suddenly, however, about an hour before the closing of the banks, a change came on. Everybody seemed to want to borrow, and scarcely anybody was willing or able to lend. The supply of loanable capital was, as it commonly is, in excess of the demand. The currency in the vaults of our banks was ample; the legal tenders having accumulated to a heavy amount, and the supply of National Bank currency being very much greater than in the present dull state of business is required for the limited transactions now doing. This condition of the market arose out of the sales of gold by the Treasury, which were greatly exaggerated, and the rumor that instant payment in greenbacks was demanded by the Treasury agent. For a short time on Tuesday the condition was one of great stringency. The next day, however, it was discovered that by the excellent arrangements made by Mr. Van Dyck, the Assistant Treasurer, all the payments on account of the negotiation of gold were made promptly, and with apparent ease; not a single bank made application for an extension; and what was a still more satisfactory and significant proof of the strength of banks, there were no withdrawals of their temporary deposits from the Sub-Treasury. All excitement, therefore, subsided, although the money market continued at 7 per cent. The following are the rates during the month:

RATES OF LOANS AND DISCOUNTS.

	Feb. 2.	Feb. 9.	Feb. 15.	Feb. 24.
Call loans	5 @ 6	..@ 6	5 @ 6	..@ 7
Loans on Bonds and Mortgage	6 @ 7	6 @ 7	6 @ 7	6 @ 7
A. 1. endorsed bills, 2 ms	6½@ 7½	6½@ 7½	6½@ 7½	7 @ 7½
Good endorsed bills 3 & 4 mos	7½@ 8	7½@ 8	7½@ 8	7½@ 8
" " single names	8 @ 9	8 @ 9	8 @ 9	8 @ 9
Lower grades	10@15	10@15	10@15	10@15

In Government bonds there has been a continuous rise in Europe, in face of a very stringent money market, which has imparted renewed confidence in these securities on this side. The following shows the prices at London of five-twenties and other American securities for four weeks:

PRICES OF AMERICAN BONDS AND STOCKS AT LONDON.

	Week ending Jan. 20.						Week ending Jan. 27.					
	Mon.	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5'20's, '82.	65⅞	65⅞	66	66¼	66	65⅞	66⅛	66¼	66⅜	66¼	66¼	66⅜
Atlan. & G. West, N. Y. section, 1st mort, 1880..	77	77	77	77	77	77	77	77	75	77	76	76
do. Penn. section, 1st mort., 1877.....	80	81	80	80	79	79	79	79	79	79	78	78
Erie shares, $100, all paid	57¼	57⅛	58	57⅜	57⅛	57⅛	57⅛	56	55⅞	56¼	55⅛	55¼
Illinois Cen., 1875, 6 ℘ c..	81	81	81	81	81	81	81	81	81	81	81	81
do. $100 shares.....	76¼	76⅛	76½	77⅛	76⅛	76¼	75¾	75¼	74¼	75¼	74¼	75¼
Mariet. & Cin., 7 ℘ cent..	73	73	73	73	73	73	73	73	73	73	73	73
Penn. R.R. Bds., 2d mort., convertible....	85	85	85	84	84	84	84	84	84	84	84	84
do. $50 shares.....	37⅛	37⅛	37⅛	37⅛	37⅛	37⅛	37⅛	37⅛	37	37⅛	37⅛	37⅛
Phila. & Erie, 1st mo.t., guar. by Penn. R.R....	75	75	75	75	75	75	75	76	76	76	76	76

	Week ending Feb. 3-						Week ending Feb. 10					
	Mon.	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5-20's, '82 .	66⅛	66⅛	66⅛	66¼	66¼	66¼	67¼	67⅛	67⅛	67⅛	67¼	67⅛
Atlan. & G. West., N. Y. section, 1st mort, 1880..	76	76	76	76	75	75	75	75	75	75	75	75
do. Penn. section, 2d mort., 1882.....	74	74	74	74	73	73	73	73	73	....	73	73
Erie shares, $100, all paid.	55¾	56⅛	*53¾	53¾	53¾	53¼	53⅛	53⅛	53⅜	53	53	52¾
Illinois Central, 1875.....	81	81	81	81	81	81	81	81	81	81	81	81
do. $100 shs., 8 ℘ c...	74¼	75¼	75	74¾	75	75	75⅛	75⅛	75⅛	74¾	74¾	74¼
Marietta & Cincinnati ...	73	73	73	73	73	73	73	73	73	73	73	73
Pennsylvania Railroad, 2d mort.....	84	84	84	84	84	84	85	85	85	85	85	85
do. $50 shares	37⅛	37⅛	37⅛	37⅛	36	36	36	36	36	36	36⅛	36⅛
Phila. & Erie, 1st mort., 1881, 6 ℘ c.....	76	76	76	76	76	76	76¼	76	76	76	76	76

The following table gives the prices of national bonds and other securities for the months of February, the quotations being based on the last official sale of each day at the Stock Exchange:

PRICES OF GOVERNMENT SECURITIES, JANUARY, 1866.

Day of month.	6's, 1881. Coup.	6's, 1881. Reg.	6's, 5-20 yrs. Coup.	6's, 5-20 yrs. Reg.	5's, 10-40 yrs. Coup.	5's, 10-40 yrs. Reg.	7-30's, 1867.	1 y'r certif.
Thursday .. 1	103¾	.....	103	.....	93¼	....	99¼	98¾
Friday 2	.....	.....	103	.....	93¼	....	99⅜	98¼
Saturday... 3	104	103⅞	103¼	.....	94	....	99⅜	98¾
Sunday. ... 4	....	.....	....	.....	....	....	....	....
Monday ... 5	103⅞	.....	103¼	.....	94¼	....	99⅜	98¼
Tuesday ... 6	103⅞	.....	103¼	.....	....	....	99¼	98⅜
Wednesday 7	104	.....	103⅜	102¾	94⅛	....	99⅝	98⅜
Thursday .. 8	104⅛	.	103	.....	94⅛	....	....	....
Friday..... 9	104¼	104¼	102¾	.....	94⅜	....	99⅜	98¾
Saturday...10	.....	.....	102¾	.....	94⅜	....	99¼	98⅜
Sunday.....11	....	.....	....	.....	....	....	....	....
Monday....12	104	.....	102¾	.....	94⅜	....	99¼	98¾
Tuesday ...13	.....	.....	102⅞	.....	94⅛	....	99¼	....
Wednesday14	104	.....	103	.....	94⅜	....	99⅛	98⅜
Thursday ..15	104⅛	.....	103¼	.....	94⅛	....	99¼	98⅜
Friday.....16	104⅜	104⅜	103⅜	.....	94⅜	....	99⅛	98¾
Saturday...17	104⅛	104⅛	103¼	.....	94⅛	91¾	99¾	98⅜
Sunday.....18	....	.....	.....	.....	....	....	....	....
Monday.....19	104¼	.....	.....	.....	....	....	99¾	98¾
Tuesday ...20	104⅛	104¼	103¼	103¼	94¼	....	99¾	98⅜
Wednesda y21	104	104¼	....	....	....	....	99⅛	98¾
Thursday ..22			(*Washington Day.*)					
Fr day.....23	104¼	.....	102¾	.....	94¼	....	99¾	98¾
Saturday...24	...	104¼	102¾	.....	94⅛	....	99¾	98¾
Sunday.....25	.....	.....	.....	.....	....	....	....	....
Monday... 26	.....	.....	102¾	.....	93¾	....	99¾	....
Tuesday...27	104	104¼	103	.....	....	....	99¾	....
Wednesday28	104¼	.....	103	.....	94	....	99¾	98¾
Lowest.....	103¾	103⅞	102¾	102¾	93¼	91¼	99¼	98¾
Highest	104¼	104¼	103¾	103¼	94⅞	91⅜	99¾	98¾

* Ex dividend.

It will be seen from the above that notwithstanding a rise in the London market from 64¼ to 67¼ during the month for U. S. 6 per cents of 1882, there has been no corresponding advance in New York. This fact is explained by the fall of gold in the latter market, which is considered equivalent to the foreign upward movement. The growing scarcity of greenbacks has also a tendency to depress prices below actual value.

The Treasure Movement at New York weekly, and the amount in Banks at the close of each week since January 1, has been as follows:

TREASURE MOVEMENT FOR 1866.

1866. week ending	Receipts. from California.	Exports. to foreign countries.	Sub-Treasury Customs receipts.	Sub-Treasury Interest payments.	Sub-Treasury Gold Certificates issued.	Sub-Treasury Gold Certificates returned.	In banks at close of week.
Jan. 6	.....	$552,027	$2,107,341	$3,597,240	$3,122,440	$1,34,8832	$15,778,741
" 13	$685,610	640,503	2,334,694	1,130,789	3,206,180	1,578,194	16,852,568
" 20	799,706	685,894	2,754,369	574,162	2,706,400	1,928,641	15,265,372
" 27	.....	656,812	3,236,040	279,842	2,598,400	2,137,048	13,106,759
Feb. 3	944,878	292,568	3'347,422	115,204	2,081,280	2,221,423	10,987,474
" 10	1,449,074	4'3,409	3,251,734	120,179	1,916,700	2,376,735	10,129,806
" 17	.....	445,489	2,893,006	94,828	2 992,900	2,158,009	10,308,758
" 24	1,209,048	580,195	2,608,796	.... ..	5,898,280	1,995,796	14,213,351
Since Jan 1	$5,088,316	$4,346,897	$22,522,403	$5,912,244	$34,517,58.	$15,744,678	$.....

The monthly report of the public debt which we publish elsewhere, offers several features of great practical importance. First, it shows that some progress is making in funding, inasmuch as the very large amount of $10,672,700 of long Five-twenties of 1864 have been negotiated at the rate, as we hear, of 102 and interest, the latter being payable in gold. This financial operation has greatly contributed to strengthen Mr. McCulloch's position, and with other favoring circumstances it has enabled him to withdraw no less than $11,956.000 of Seven-thirties from the hands of the public and to diminish the circulation of greenbacks $466,850, making the aggregate of greenbacks at present $423,435,-373. A second point of interest is the increase of the balance in the Treasury. Of coin there is now in hand $4,293,031 more than on the 1st of February, and of currency $4,232,481 more; but on the other hand the coin certificates have increased $4.236,520 in consequence of the recent Government sales of coin. The certificates of indebtedness have also increased $1,627.000, and there is a prospect of a further increase. These securities are regarded with great favor, and as they are scarce, a considerable amount of them might be gradually negotiated with equal advantage to the Treasury and satisfaction to the public.

These are the leading features of the report, and it cannot be denied that the exhibit is on the whole satisfactory. It has been urged that the sale of so large an amount of gold-bearing bonds privately and without any notice to the country was inexpedient, and may tend to depress these securities in the market now that the nature and extent of the negotiations have transpired. It is replied, however, that in the present aspect of financial affairs these bonds could not have been sold on as advantageous terms if public notice of the sale had been given, and, moreover, the bonds having been already absorbed by investors, and the demand continuing active, there is no danger of a decline in these popular gold-bearing securities from this cause.

Without inquiring further as to which of these views may turn out to be correct, we must call attention to one or two points in which the statement is less

favorable than could have been desired. First, the temporary loan has been increased by $3,822,099, and now amounts to $18,000,000. This sum is altogether too large to be held on call without danger of embarrassment, and it is generally wished that Mr. McCulloch, at an early day, may avail himself of his strong position and pay off a considerable proportion of these mischievous and useless call loans. We observe also that the compound interest notes have been reduced six millions. It is not at all evident what advantage is to be gained by this movement. The compound notes are useful and indispensable agents of contraction, and it would have been much more conducive to the strength of the Treasury if we could have reported that six millions of greenbacks instead of compound notes had been withdrawn and cancelled.

Railroad stocks have fluctuated considerably during the month. The decline early in the month was followed by a decided improvement in prices; but the advancing tendency was checked by the pinch in the money market the last week. We give the course of prices below:

PRICES OF RAILWAY SHARES FOR FEBRUARY.

	Feb. 2.	Feb. 9.	Feb. 16.	Feb. 24
New York Central	87⅛	88	90¼	90¼
Hudson River	100	100¼	104	103
Erie	77	78	80⅞	80⅝
Reading	99	100	101⅛	100
Mich. So. and N. I.	68⅞	68⅜	71⅛	69½
Illinois Central	115	115	114½	114
Cleveland and Pittsburg	81⅛	79⅛	81⅛	78⅛
Chicago and N. W.	28	27½	29½	27⅜
Chicago and R. I.	99½	101⅜	106½	103½
Pittsburg, Fort Wayne and Chicago	92⅛	92½	94⅞	93⅞

The most important rise has been in Rock Island under stimulus of large purchases from parties contending for control in the annual election of the board. We give below the returns of such companies as have made reports of their earnings for January, and compare them with the returns for the same month last year:

Railroads.	1865.	1866.		
Chicago & Rock Island	$305,554	$249,654	dec	$55,890
Erie (including Buffalo, New York and Erie)	1,070,891	1,187,188	inc	116,297
Illinois Central	546,410	582,828	inc	36,418
Michigan Central	306,324	282,438	dec	23,886
Michigan Southern	395,989	314,598	dec	81,391
Milwaukee and St Paul	98,181	132,000	inc	33,819
Pittsburg, Fort Wayne & Chicago	684,260	572,260	dec	112,000
do do (another account)	684,260	549,260	dec	135,000
Rome, Watertown & Ogdensburg	51,492	70,702	inc	19,210
Western Union	43,715	45,101	inc	1,386

It will be perceived that the Erie has changed the terms of its return. In former years it published the earnings of the Erie alone. In January, 1865, they were $908,341. This year it includes the Buffalo division, for what reason is best known to officials of the company themselves.

Gold has been declining gradually throughout the month, but in no short period of time have the transactions been excessive. It opened at 140¼ and for the first ten

days vibrated between 140¼ and 138½, closing on the 10th at 138¾. The next seven days brought the price down to 137½ and the week following to 135¼, as lowest points. During the last of these periods the Government sold coin to the amount of eight millions of dollars. From this date there was a tendency towards an advance, but on the 28th the market closed at 136.

COURSE OF GOLD FOR FEBRUARY.

Date.	Open'g	High'st.	Lowest.	Closing.	Date.	Open'g	High'st.	Lowest.	Closing.
Thursday..... 1	140¼	140¼	139¼	140¼	Sunday.....18	.....	.....	.....	.....
Friday..... 2	140¼	140¾	140	140¼	Monday 19	136¾	137¼	136¾	137¼
Saturday 3	140⅞	140¼	139⅞	139⅞	Tuesday..... 20	136¾	137⅛	136¾	137⅛
Sunday..... 4	.....	.....	.....	.....	Wednesday.....21	136⅞	137⅛	136⅞	137⅛
Monday 5	139¾	140	139	139⅝	Thursday.....22	Washington's Birthd'y			
Tuesday 6	139⅛	139¾	139¼	139¾	Friday 23	137⅜	137⅛	136¾	136¾
Wednesday..... 7	139⅜	139¾	139¼	139⅝	Saturday 24	135¾	136¾	135¾	136⅜
Thursday..... 8	139¾	140¼	139¼	140⅛	Sunday.....25	.....	.....	.....	.....
Friday..... 9	140¼	140¼	139¼	139⅜	Monday 26	136¾	137	136¾	136¾
Saturday 10	139¾	139¾	138⅜	138¾	Tuesday.....27	136⅞	137	136⅞	137
Sunday..... 11	.....	.....	.....	.....	Wednesday.....28	136⅞	137	136	136
Monday..... 12	138¾	139	138¼	139					
Tuesday.....13	138¾	138⅞	138⅜	138¾	February, 1866.....	140¼	140¾	135¼	13
Wednesday.....14	138⅝	138¾	137⅞	137⅞	" 1865.....	204¾	216¼	196¾	202¼
Thursday.....15	137⅞	137⅞	137⅜	137⅜	" 1864.....	157¼	161	157¼	159¾
Friday 16	137¼	137¾	137¼	137¾	" 1863.....	157¼	179½	152¼	173
Saturday.....17	137¼	137¼	137¼	137¼	" 1862.....	103½	104¾	102¼	102¼

The following statement shows the daily fluctuations of foreign exchange on London, Paris, Amsterdam, Bremen, Hamburg, and Berlin at New York for the month of February, 1866 :

COURSE OF EXCHANGE FOR FEBRUARY.

Days.	London. cts for 54d.	Paris. centimes for $.	Amsterdam. cts for florin.	Bremen. cents for rix $.	Hamburg. cents for M. banco.	Berlin. cents for thaler.
1.....	108 @108¾	526¼@521¼	40¾@40¾	77¾@78¼	85¾@86¼	70¾@71
2.....	107¾@108¼	525 @520	40¾@40¾	77¼@78	85¾@86¼	70¾@71¼
3.....	107¾@108¼	525 @520	40¾@40¾	77¾@78	85¾@86¼	70¾@71¼
4.....	.....	.....	.....	.....	.....	.....
5	107¼@108¼	527½@520	40¾@40¾	77 @78	85¼@86	71 @71¼
6.....	107⅛@108	530 @523¾	40¾@40¾	77 @78	85¼@86	70¾@71
7..	107¼@108	530 @523¾	40¾@40¾	77 @78	85¼@86	71¾@71
8.....	107⅛@108	530 @523¾	40¾@40¾	77 @78	85¼@86	70¾@71
9.....	107¼@107¾	530 @525	40¾@40¾	77 @77¾	85¼@86	70¾@71
10.....	107¾@107¾	530 @525	40¾@40¾	77 @78	85¾@86	70¾@71
11.....	.....	.....	.....	.....	.....	.....
12	107¼@107¾	532½@525	40¼@40¼	77¼@78	85¼@86	70¼@71
13.	107⅝@107¾	532½@525	40¾@40¾	77¾@78	85¼@86	70¾@71
14.....	107¾@108	527½@522½	50⅜@40¾	77¾@78	85¾@86	70¾@71¼
15.....	107¾@108	527½@522½	40¾@40¾	77¾@78	85¼@86	70¾@71¼
16.....	107¾@108¼	527½@523¼	40¾@40¾	77¼@78¼	85¾@86¼	70¾@71¼
17.....	107¾@108¼	527½@531¼	40¾@40¾	77¾@78¼	85¾@86¼	70¾@71¼
18.....	.....	.....	.....	.....	.....	.....
19.....	108¼@108¾	528¾@518¾	40¼@40¾	78 @78¾	85¾@86¼	71¼@71½
20.....	108¾@108¾	526 @518¾	40¾@40¾	78 @79	85¾@86¾	71¼@71½
21.....	108¾@108¾	525 @518¾	40¾@40¾	78¼@79	85¾@86¾	71 @71½
22.....		*(Washington's Birthday—a legal Holiday.)*				
23.....	108¾@108¾	525 @518¾	40¼@40¾	78 @78¾	86 @86¼	71 @71½
24.....	108¾@108¾	523¾@518¾	40¾@40¾	78¼@78¾	86 @86¼	71¼@71½
25.....	.....	.....	.....	.....	.....	.....
26.....	108¼@108¾	523¾@517¼	40¾@41	78 @78¾	86 @86¼	71 @71½
27.....	108½@108¾	526¼@518¾	40¾@41	78 @78¾	86 @86¾	71 @71½
28.....	108¾@108¾	526¼@518¾	40¾@41	79 @78¾	86 @86¾	71 @71½
Feb	107¼@108¾	532¼@517¼	40¼@41	77 @79	85¼@86¼	70¾@71¼
Jan	108 @109¼	523¾@516	40¾@41	78 @79¼	86 @86¾	71 @71¾

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Taxation of net or gross deposits of banks—Position of the banks—National banks, their capital, circulation, etc.—Returns of the banks of New York, Philadelphia, and Boston—Foreign bank returns, etc.

THE question of taxing the deposits of our banks has been under discussion the past month—the Treasurer, Mr. Spinner, claiming that the tax should be on the *gross* and the banks that it should be on the *net* deposits. We observe with satisfaction that in consequence of the explanations of the Committee of the Banks that went on to Washington, the dispute has been satisfactorily adjusted. This tax will be computed hereafter on the net deposits as was the plain intention of the law. Had the tax on gross deposits been enforced it would have imposed on the banks of this city an extra burden of some half a million of dollars, and what is of more importance, this tax would have been very unequally distributed, falling with crushing weight on such institutions as have the accounts of dealers in government securities. It must thus have curtailed much of the bank accommodation these dealers have been accustomed to receive and could not but have checked their business. The extent of the injury inflicted on the injury inflicted on the Government finances from this source alone during the operation of funding the floating debt would have been very poorly compensated by the comparatively small augmentation of the revenue involved; while the irritation of the public mind by the derangement of business would, in times like the present, have been highly damaging.

We have said that the obvious intention of the law is to compute the tax on the net deposits and not on the so-called gross deposits. A few words will make this clear. The tax is made payable by banks on their "average deposits." Now let us take the case of Jones and Smith, Wall Street dealers in Government securities. This firm to-day place in bank one million of dollars in checks and other funds and draw against this amount nine hundred thousand dollars, leaving the balance to their credit $100,000. Yesterday, and for a long time past, as we find on inspecting the bank ledger, the result was much the same. Sometimes the amount of business done is two millions, and, occasionally, not more than half a million; but the balance to the credit of Jones and Smith, after any given day's business is always about $100,000. Now it is clear that if we want to know the average deposit in bank of this firm. $100,000 is the amount at which we should state it. The large sums put into the bank, and drawn out again during the day, form really no part of the assets, or available funds of the bank. This institution has no control over a dollar of these funds. It makes no charge for managing them, and merely acts as the disbursing agent of the dealer in receiving them and paying them out. Now to tax the gross deposits of the bank would be to tax these sums from which the bank receive no benefit, and would compel the bank to pay for the use of money which it really does not use at all or enjoy any control over.

It makes no difference as to the principle of this affair to say that Jones and Smith's account in the bank books on the day appointed by law for making the

Government returns shows a balance in their favor of $1,000,000 instead of $100.000; because the books are not posted up, and cannot be posted up till the next morning, when the outstanding $900,000 of obligations will come in through the Clearing House. The latter sum is not in the hands of the bank as assets; it only lies there in trust for the persons to whom it is owing, and appears daily in the deposit accounts of these persons in some other of the Clearing House Banks. It is, therefore, plain that to tax the gross deposits is to charge the duty twice over; for it would compel two different banks to pay taxes for the same sum of money on the same day.

In some quarters it has been imagined that the city banks would be favored more than the country banks, if it were permitted to the former to report for taxation the amount of their net deposits. From what has been said, however, it is plain that this is a gross mistake. A country bank, from the nature of its business, can post up its books at the close of business each day. The distinction between net deposits and gross deposits is important only if Clearing Houses are established, and even there it would cease to exist, were it possible to make the clearings and to complete the entries in the books at night before the close of bank hours. This arrangement, however, would be found impossible in our large cities, where the volume of transactions is large; and it would seriously disturb the established methods of doing business with no compensating advantage. Mr. Spinner in receding so promptly and so cordially from the position he was supposed to have assumed, has only added another to the numerous existing proofs of his ability and faithfulness in office.

We do not wish it to be inferred, from anything we have said, that we object to the imposition on the banks of their full fair share of taxation. These institutions derive great profits from the issue of circulation, and from other privileges conferred on them by law. They are, therefore, under special obligations and are willing, we believe, to pay any equitable taxes that may be laid upon them. The sole objection to the tax on gross deposits, which we have been discussing, is that it was not equitable.

The following is an official statement just issued of the apportionment of National Bank circulation in the various States and Territories, made under section 21 of amendment to currency act, approved March 3, 1865. We add a column showing the circulation that had been issued to the banks on the 1st of October, 1865, also obtained from official sources. It will be seen that several of the States have already exceeded the amount apportioned to them:

States and Territories.	Apportion. by Comp. of Cur. accord. to representative population.	Apportion. by Sec. of Treas. accord. to capital and resources.	Aggregate.	Circulation issued before Oct. 1, 1865.
Maine	$3,000,000	$2,415,000	$5,415,000	$4.761,550
New Hampshire	1,557,000	1,755,000	3,312,000	2,501,800
Vermont	1,504,500	1,485,000	2,989,500	2,244.800
Massachusetts	5,880,000	15,915,000	21,795,000	44.665,180
Rhode Island	834,000	3,960,000	4,794,000	4,897,250
Connecticut	2,197,500	5,025,000	7,222,500	11.223,360
New York	18,533,500	34,935,000	53,473,500	37,548,940
New Jersey	3,210,000	3,480,000	6,690,000	4,763,920
Pennsylvania	13,882,500	12,645,000	26,527,500	29,450,830
Maryland	3,282,000	3,855,000	7,137,000	2,672,400
Delaware	535,500	555,000	1,090.500	434,250
District of Columbia	358,500	300,000	658,500	1,161,000

Virginia West Virginia	7,624,500	5,995,000	13,619,500	622.100 441,750
Ohio	11,173,500	6,450,000	17,623,500	15,479,370
Indiana	6,450,000	3,165,000	9,615,000	8,593,7s0
Illinois	8,178,000	3,660,000	11,838.000	7,895 035
Michigan	3,565,500	1,635,000	5,200,500	1,728,800
Wisconsin	3,706,500	2,505,000	6,211,500	1,961,400
Iowa	3,223,500	1,185,000	4,408,500	2,064,500
Minnesota	810,000	240,000	1,050,000	1,046,750
Kansas	511,500	135,000	646,500	83,000
Missouri	5,646,000	3,765,000	9,411,000	1,223,700
Kentucky	5,520,000	4,980.000	10,500,000	1,298,550
Tennessee	5,301,000	3,465,000	8,766,000	551 040
Louisiana	3,381,000	7,200,000	10,581,000	180,000
Nebraska Te ritory	130,500	45,000	181,500	27,000
Colorado Territory	163,500	30,000	193,500	45,000
Mississippi	3,780,000	1,485,000	5 255,000	25,000
Georgia	4,950,500	4,470,000	9,420,500	30,000
North Carolina	4,741.500	2,805,000	7,546,500	.....
South Carolina	3,381,000	4,185,000	7,566,000	.....
Arkansas	2,079,000	645,000	2,724,000	.....
Alabama	4,605,000	2,820,000	7,425,000	.....
Utah Territory	192.000	45,000	237,000	.....
Washington Territory	52.500	30,000	82,500	.....
Oregon	250.500	120,000	370,500	.....
California	1,698,000	1,305,000	3,003,000	.....
Nevada Terri ory	33,000	15,000	48,000	.....
A izona	.....	.....	.....	.....
New Mexico	396.000	90,000	486.000	.....
Texas	2,9 6,000	975.000	3,961,000	.....
Flo ida	670.500	285,000	955,500	.....
Dakota	12,000	15,000	27,000	.....
Total	149,998,500	149,970,000	299,968,500	190,847,055

Under what authority or on what pretext this large over-issue has taken place we canot undertake to say. Very likely it will be made the reason or excuse for an attempt to extend the law and authorize the issue of another fifty or one hundred millions of currency.

The bank statements of the three cities show no very important changes. In New York a large amount of specie was withdrawn, so that on the 10th of February there was on hand over six and one half millions less than on January 13th. The month closes, however, with a return of about four millions of this loss due to the Government sales of gold, while at the same time the legal tenders fell off from 68,000 000 to 61,000,000—being used, in great part, to pay for the gold purchased. Below we give the bank returns of the three cities during the year:

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs
Jan. 6, 1866...	$233,185.059	$15,774.741	$18,583,428	$195,483,254	$71,617,467	$570,617,022
" 13.....	234,938.193	16,852.568	19,162,917	197,766,999	73,019,957	608,0?2,837
" 20.....	239,387.726	15,263,327	20,475,707	198,816,248	72,799,892	588,949,311
" 27.....	240,407.836	13,108.759	20,963,883	195 012,454	70,319,146	516,323,672
Feb. 3.....	242.510,382	10,937,474	21,494,234	191,011,695	68,796,250	506,569,122
" 10.....	242,608,872	10,<23,906	22,240,469	188,701,463	68,436,013	493,431,039
" 17.....	243,068,252	10,308,736	22,983,274	189,777,290	64,802,980	471,896,751
" 24.....	239,776,300	14,213,351	23,959,918	183,241,404	61,602,736	497,150,087

The returns of the Philadelphia Banks have been as follows:

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866.....	$17.181,229	$4 ,941,001	$890,892	$7,226,369	$35,343,806
" 8.....	17,236,320	46,774,150	983,685	7,319,528	36,618,004
" 15	17,267,412	47,350,423	1,007,186	7,357,972	36 947,700
" 22.....	17,052.559	47,254,622	1,012,980	7,411,337	36,214,653
" 29.....	16,244.277	47,607,558	1,008,825	7,432,534	35,460,861
Feb. 3.....	16,481,0 5	47,233,661	1,000,689	7,668.365	34,681,135
" 10.....	16,852,737	47,949,383	996,312	7,819.599	34,464,070
" 17.....	16,777,175	46,981,337	958,207	7,843,003	33,926,542
" 24.....	17,263,603	46,865,592	1,036,408	7,732,070	33,052,253

The returns of the Boston Banks have been as follows:

BOSTON BANK RETURNS.

(Capital Jan. 1, 1866, $41,900,000.)

	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation—National.	Circulation—State.
January 1.....	$91,421,477	$801,415	$19,807,300	$38,451,794	$21,497,354	$1,404,721
" 8.....	92,945,129	1,031,327	19,914,065	41,718,132	21,806,180	1,228,793
" 15.....	92,959,364	1,029,105	20,438,014	40,939,870	21,946,595	1,273,948
" 22.....	92,665,111	1,040,114	20,750,698	40,300,639	22,034,643	1,215,675
" 29.....	92,877,783	1,008,013	20,544,330	39,153,816	21,899,318	1,157,848
February 5.....	94,578,358	805,257	20,568,185	40,436,163	22,325,428	1,125,728
" 12.....	94,063,897	632,591	20,412,589	38,768,019	22,348,638	1,057,823
" 19.....	95,240,429	508,428	20,418,909	38,494,696	22,602,531	1,033,891
" 26	93,539,000	521,392	20,363,177	36,398,481	22,887,971	1,048,022

The following instructions have been issued to National Banks:

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY,
WASHINGTON, Friday, Dec. 15, 1865.

The following instructions are issued for the guidance of National Banks in making their reports to this office. The books of this Bureau are so arranged that the several items and accounts correspond with the "forms" prepared, and all variations from the prescribed forms in making such reports will increase the labor and multiply the liability to error

In the preparation of these "forms," it is the intention to secure strict conformity with the law.

REPORTS GENERALLY.

Banks will furnish their reports upon the latest forms supplied from this office, and be prompt in forwarding the same. Reports will be expected from associations fully organized, whether they have commenced business or not.

The penalty prescribed in section thirty four of the National Currency Act will be duly enforced in all cases of failure to comply with its provisions.

The receipt of reports will not be acknowledged, but in cases of non-receipt due notice will be given.

The proper revenue stamps must be affixed to all reports and statements, or they will be returned.

Affidavits to reports and statements must be made before a notary public justice of the peace, or other officer duly empowered to take acknowledgments of deeds.

QUARTERLY REPORTS.

I *Notes and Bills Discounted.*—This item should include only discounted business paper. Money deposited with the Treasurer or any Assistant Treasurer of the United States, not subject to sight draft, should be included among "Other U. S. Securities."

II. *Suspended Debt.*—All paper past due, upon which interest has not been paid for a period of six months, as defined in section 38.

III. *Indebtedness of Directors.*—Loans made for the use or benefit of directors, and for the payment of which they are primarily responsible.

IV *Overdrafts,*—The amount of overdrafts must be stated as such and not deducted from the deposits.

V. *Premiums.*—Premium or interest paid on United States bonds and securities should appear under their appropriate heads, and not be included in the face value of the same.

VI. *Balances due to and from Banks.*—When unable, for lack of space, to insert the names of banks and bankers, and the amounts due to or from them, exhibit the same on schedules marked A B C, and D and report the aggregate of each schedule in its place, referring to each by its designation.

VII. *Bonds and Securities*—All bonds and securities, whether State or national, should be entered at their par value, without regard to premium or interest (See Premiums) No bonds should be reported as "Deposited with the United States Treasurer to secure circulating notes," or for other purposes, until the the Treasurer's receipt for the same has been received by the bank.

Bonds in the hands of government, to be deposited on bonds paid for and not received, may be reported with "other United States Securities."

VIII. *Specie.*—Specie should be reported at its precise amount, without any regard to the premium it may command.

IX. *Capital Stock.*—When the payments on original capital stock have not been fully made and certified to as prescribed in section 14 of the act, or when a bank is preparing to increase its capital stock, but has not yet obtained from this office the certificate of the Comptroller specifying the amount of such increase, and his approval thereof as prescribed in section 13 of the act, such payments should not be reported as capital stock paid in but should be so entered on the report as to show how much of the capital stock has been officially acknowledged, and how much has been p id for after receiving this acknowledgment.

X. *Surplus Fund.*—The provisions of section 33 must be complied with, and the requisite amount carried to "Surplus Fund."

XI. *Circulating Notes.*—The total amount of notes received from this office must be stated, and all *on hand*, whether signed or not, so entered

XII. *State Circulation Outstanding.*—This item is intended only for banks converted from a State to the National system, and having circulating notes of the old State Bank still unredeemed.

XIII. *Lawful Money Reserve.*—In this connection the Comptroller desires to remind the banks that the provisions of the act, in respect to the maintenance of a reserve, are *explicit* and *absolute;* that they cannot be disregarded without an open violation of law; and that it is his duty to see that the reserve be properly maintained.

ITEMS TO BE PROTECTED BY "LAWFUL MONEY RESERVE."

1. National bank notes in circulation.
2. State bank notes in circulation.
3. Individual and United States deposits.

THE LAWFUL MONEY RESERVE SHOULD BE:

1. Specie.
2. All United States legal-tender issues, including the interest bearing legal tender notes.
3. Balances in approved associations, in cities named in section 31, due to banks not located in said cities, to the extent of three-fifths of the required reserve of fifteen per cent.
4. Balances in approved associations in New York, due to associations in any of the cities named in section 31, to the extent of fifty per cent of the required reserve of twenty-five per cent.
5. Clearing-house certificates, under section 31 of the act.
6. Balances due from the Treasurer or any Assistant Treasurer of the United States, payable on demand.

It is necessary that the reserve, authorized to be kept in National Banks, should be in banks selected and approved as redeeming agents.

PUBLICATION OF REPORTS.

Each bank must publish its quarterly reports, (see section 34,) and transmit to this office proof thereof, either by forwarding a copy of the paper containing the same, or by a sworn statement of the publishers or their agents. In such publication, the aggregate only of the several items due to and from National Banks and other banks and bankers need be set forth

MONTHLY STATEMENTS.

Monthly statements should exhibit the average of "loans and discounts," of "specie," of "other lawful money," of "deposits," and of "circulation," (national) since the last monthly return; the amount of "State circulation outstanding," (of converted banks), and when made by banks not located in cities named in section 31, should further state the precise amount of balance due them by their "approved redeeming agent."

To ascertain the average of any particular item for the month, it will be sufficient if the weekly footings of the items are added together, and the sum is divided by the number of weeks, instead of adding the daily footings and dividing by the number of days.

XIV. *Average of Loans and Discounts*—(See article 1.)

XV. *Average amount of Lawful Money.*—In computing this average all such United States money as has been prescribed to be a legal tender should be included at its face value.

XVI. *Average Amount of Deposits.*—Government as well as individual deposits, should be included in this average.

XVII. *Average Amount of Circulation.* This refers only to National Bank notes outstanding.

XVIII. *Amount due and available for the redemption of Circulating Notes*—This item is not an average, but the actual amount due, at the time of making the report, and should include only such balances as are due a bank from its "approved redeeming agent," together with any balances due from the Treasurer or any Assistant Treasurer of the United States, payable on demand.

XIX. *Outstanding State Circulation at date.*—(See article XII. They should be the actual amount outstanding at date of statement, and not an average.

F. CLARK,
Comptroller of the Currency.

NOTE.—These instructions are intended to supersede all others heretofore issued bearing upon the points here presented.

At a meeting of the Associated Bank officers of this city, the following resolution and statement of the case was adopted in relation to the recent circular letter of the Treasurer of the United States on taxing their *gross* in place of their *net* deposits:

Resolved, That as a reply to said letter the banks state that the returns of deposits made to the Treasurer of the United States for purposes of taxation are based upon the actual amount of balances remaining in the banks belonging to depositors after the close of each day, as soon as ascertained, and are made in the same manner as they would be made were interest to be allowed to the depositors; that the operations of the clearing-house can in nowise affect the same, as they are in all cases, whether for purposes of taxation or to ascertain the amounts due from the banks to their depositors, made in the same manner as they would be were there no clearing-house in operation, any representations to the contrary notwithstanding.

And that any other method of making the returns would be untrue and contrary to the requirements of law, which is that a true sworn statement shall be rendered of the average amount of deposits due from the banks for the six months preceding the date of such return.

Below will be found the reply of the Treasurer to these resolutions of the Banks, with another circular letter:

TREASURY OF THE UNITED STATES,
WASHINGTON, FEB. 13, 1866.

SIR: Your letter of the 8th instant has been received. Of the imposing paper that came therewith inclosed, purporting to be the resolutions of a meeting of officers of the banks in the city of New York, called to consider a circular addressed to each of them from this office, under date of the 1st inst., and which is twice therein declared to be a reply to said letter and circular, I have to say that, as an argument, it is considered a fine specimen of special pleading, but as a reply it is disingenuous, evasive, and no answer whatever to the direct questions propounded in said circular; that the intention was to conceal the truth of the matter sought to be elicited as evidence, by the fact that this office has the letters of cashiers of banks, stating that the average amounts of deposits were estimated from the balances at the close of each day, without reference to the Clearing-house exchanges, as required by the regulations; and it has also evidence that other banks did not so estimate these deposits. Yet the Presidents of such banks as did not so estimate their average deposits have alike appended their signatures to the statements contained in these resolutions as an answer to the question whether they did or did not so estimate their deposits.

The law requires the returns referred to in the circular to be made for the six months next preceding said first days of January and July, and not for parts of days preceding or succeeding these or any other days, and thus precludes the idea that the accounts made up at the close of business of one day may be manipulated and estimated upon after changes have been made at noon, or after, of the next succeeding day. The phraseology of the law in this regard is in the usual form, and its plain meaning is as well understood by bankers as by commercial lawyers, and it does seem that but for the private interests of the banks involved as fair-minded men would for a moment doubt but that the computations should be made as all other monied and commercial estimates are made from the book as the balances stood at the close of the business of each day.

The law directs the duty to be paid upon the "average" amount of deposits. You insist upon estimating upon the minimum amounts. It appears from the returns made to this office that all the National banks in the United States, excepting a number in the three principal and one other Atlantic city, and perhaps a few isolated cases elsewhere, have made their returns in accordance with the instructions issued from this office and in conformity to the law. Any change now in the way indicated by your meeting would not only be in violation of what is considered a plain official duty, but would be a manifest injustice to the people of the United States generally, and particularly so to nearly sixteen hundred National Banks, which have promptly met the requirements of this office, and

paid what they thereby admitted to be due under the law from them to the people of the United States. But as I did not invite or desire an argument from you, I do not propose to make one to you, as to the right or wrong of the law, or the decision of requirements made under it. What is required and desired is, that plain, direct, exhibit and categorical answers be made to the circular of the 1st inst., and that if the returns have not been made in compliance with the requirements of the office, as in that circular indicated, that then an amended return be made thereto showing the difference between the estimates of deposits as made after the Clearing house Exchanges, and at the close of the business at the preceding day, and that an amount equal to one-quarter of one per cent on that difference be immediately remitted with such amended return to this office. In default of this, duty will compel me to enforce such payment by one or more of the remedies indicated in the law to be applied to all such cases.

I see by the New-York papers that you have caused the resolutions of your meeting to be published, with remarks that would seem to indicate a purpose on your part to resort to the courts. Therefore, as you have presented only one side of the case, I shall, in order to show the other side, cause the letter, preceded by my circular of the 1st instant, and your letter with the resolutions of the meeting of the New York bank officers, and a circular of the 13th instant, to be all published together. As it is not my wish to prejudice or in any way incommode or delay the payment of the interest on the public stocks about to become due to the many banks that have made satisfactory reports, by reason of the remissness of the few that have not made such reports. It is particularly desirable that an early answer should be returned to the circular from this office, No. 5, of the 13th instant, as I shall be compelled to withhold from the several Assistant Treasurers the list of dividends now being prepared, until such time as it can be ascertained which banks shall and which shall not be entitled to receive such dividends, by reason of having or not having made satisfactory returns, and the payment of duty thereon to this office.

Very respectfully yours,

F. C. SPINNER, Treasurer United States.

To C. F. SIMPSON, Esq., Secretary Continental National Bank, New York.

TREASURY DEPARTMENT, TREASURER'S OFFICE,
WASHINGTON, FEB. 13, 1866.

CIRCULAR No. 5, 1866.—It is evident that a number of National Banks, in making reply to the circular of the 1st inst. have considered that the day was not closed until after the exchange had been made on the next day after the Clearing house, and thus while reporting their average of deposits, as estimated from the balances at the close of the day, have deducted from such balances the amount of the exchanges of the next day. As this construction is not in accordance with the requirements, it is desired that those banks which have made replies to the circular referred to, in which replies they have stated that the averages of deposits were estimated from the balances at the close of the day, shall also state whether the averages were estimated BEFORE THE EXCHANGES AT THE CLEARING HOUSE. The attention of all such banks as have not yet made reply to the circular of the 1st inst., is requested to the words above in capital letters. In either case, whether a reply has or has not yet been made by a bank, unless the reply already made is complete and without reservation in reference to exchanges at the clearing-house. It is required that a reply shall at once be furnished which shall distinctly state whether or not the average of deposits was estimated from the balances of deposits before the exchanges at the clearing house.

F. E. SPINNER, Treasurer United States.

RAILWAY, CANAL, AND TELEGRAPH STATISTICS.

OPERATIONS OF THE NEW YORK RAILROADS, 1865.

We are indebted to Mr. Robert H. Sherman, Deputy State Engineer, for the following abstract of the reports of the Railroad Corporations to the State of New York, for the year ending Sept. 30, 1865:

STOCK AND DEBTS.	
Roads operated by Steam:	
Capital stock now paid in	$86,040,187 94
Funded debt	68,214,975 81
Floating debt	5,890,834 41
Funded and floating debt	94,165,610 22
Roads operated by Horse-Power:	
Capital stock now paid in	13,106,105 00
Funded debt	5,674,606 93
Floating debt	576,845 49
Funded and floating debt	6,551,459 49
COST OF CONSTRUCTION AND EQUIPMENT.	
For gradation and masonry	$41,928.97 36
Bridges	2,336,997 36
Superstructure, including iron	22,940,735 65
Passenger and freight stations, buildings and fixtures	4,375,602 27
Engine and car houses, machine shops, machinery and fixtures	1,972,013 38
Land, land damages and fences	12,067,178 37
Locomotives and fixtures and snow-plows	6,305,509 72
Passenger and baggage cars	2,852,815 38
Freight and other cars	5,358,684 94
Engineer and agencies, &c.	8,462,812 44
Total cost of roads using steam-power	$156,363,208 32
Total cost of roads using horse-power	19,591,184 93
CHARACTERISTICS.	
Roads operated with Steam:	
Roads in miles	3,089.48

Roads laid	2,615.15
Double track, including sidings	1,163.84
Branches laid	497.83
Double track on same	21.43
Equivalent single track	4,298.25
Engine-houses and shops	166
Engines	962
First-class passenger-cars	820
Second-class cars	1-1
Baggage, mail & express-cars	293
Freight-cars	15,284
Roads operated with Horse-Power:	
Roads in miles	256.05
Roads laid	166.24
Double track, including sidings	123.64
Branches laid	3.16
Double track on same	.25
Houses and shops	.23
Cars	959

BUSINESS OF THE YEAR.

Roads operated with Steam—Passenger Business:

Miles run by passenger trains	7,978,889
Passengers carried in cars	16,215,427
Miles traveled by passengers	781,922,950
Speed of ordinary passenger trains, including stops, miles	20.57
Of same when in motion, miles	25.43
Speed of express passenger trains, including stops, miles	26.25
Of same when in motion, miles	30.44
Average weight, in tons, of passenger trains, exclusive of passengers and baggage	84.77
Freight Transportation:	
Miles run by freight trains	11,482,788
Tons carried by freight trains	7,388,952
Tons carried one mile	866,647,540
Speed of freight trains, including stops, miles	11.53
Of same when in motion, miles	14.86
Average weight, in tons, of freight trains	151.10
Classification of freight:	
Products of the forest	527,299
Products of animals	1,345,361
Vegetable food	1,221,500
Other agricultural products	392,037
Manufactures	732,661
Merchandise	1,146,296
Other articles	2,034,708
	7,398,852
Roads operated with Horse-Power:	
Miles run by passenger-cars	18,419,869
Passengers carried in cars	107,349,507

COST OF MAINTENANCE OF ROADWAY.

Allotted to Passenger Transportation:	
Repairs of road-bed and way	$2,156,777 82
Cost of iron for repairs	1,576,514 74
Repairs of buildings	441,182 26
Repairs of fences and gates	56,644 21
Taxes on real estate	427,112 74
Total	$4,658,230 77
Freight Allotted to Transportation:	
Repairs of road-bed and way	$3,097,875 21
Cost of iron for repairs	2,345,096 22
Repairs of buildings	631,334 19
Repairs of fences and gates	87,733 09
Taxes on real estate	966,907 14
Total	$7,209,052 85
Allotted to pass. transporta	4,458,230 77
Allotted to freight transportion	7,209,052 85
Other costs not allotted	807,560 55
Total cost of maintenance of roadway	$12,874,844 17
Roads operat. by horse-power	283,351 41

COST OF REPAIRS OF MACHINERY.

Allotted to Passenger Transportation:	
Repairs of engines	1,318, [illegible] 86
Repairs of cars	1,309, [illegible] 81
Repairs of tools, &c	165, [illegible] 97
Incidental exp., oil, fuel, &c	117, [illegible] 64
	$2,901, [illegible] 28
Allotted to Freight Transportation:	
Repairs of engines	$1,914, 57 74
Repairs of cars	2,134, 70 85
Repairs of tools, &c	259, [illegible] 93
Incidental exp., oil, fuel, &c	178, [illegible] 68
	$4,487, [illegible] 25
Allotted to pass. transporta	$2,900, [illegible] 28
Allotted to freight transporta	4,487, [illegible] 20
Other costs not allotted	549, [illegible] 46
Total cost repairs of machinery	$7,946,550 94
Roads oper. with horse-power	116,943 25

COST OF OPERATING THE ROAD.

Allotted to Passenger Transportation:	
Office expenses, stationery, &c	$159,749 64
Agents and clerks	512,744 30
Labor, loading and unloading freight	54,298 61
Porters, watch. and switchmen	355,160 24
Wood and water station men	93,421 68
Conductors, baggagemen and brakemen	608,879 15
Enginemen and firemen	594,476 24
Fuel, cost and labor	2,060,634 14
Oil and waste for engine	267,161 95
Oil and waste for cars	70,345 45
Loss and damage	18,933 34
Damages to person	141,934 16
Damages for property	18,188 01
General superintendence	131,627 43
Contingencies	675,847 37
	$5,692,813 11
Allotted to Freight Transportation:	
Office expenses, stationery, &c	$206,047 94
Agents and clerks	833,851 77
Labor, loading and unloading	1,376,713 07
Porters, watch and switchmen	462,628 14
Wood and water station men	192,869 40
Conductors, baggagemen and brakemen	843,209 66
Enginemen and firemen	956,179 85
Fuel, cost and labor	2,927,340 86
Oil and waste for engine	354,738 73
Oil and waste for cars	113,861 21
Loss and damage	238,340 68
Damages to person	23,874 57
Damages for property	30,031 95
General superintendence	182,968 14
Contingencies	753,111 21
Total	$9,450,667 18
Allotted to passen. transporta	5,692,813 11
Allotted to freight transporta	9,450,667 18
Other costs not allotted	229,484 89
Total cost of operating roads	$15,372,965 18
Roads operated by horse-power	3,152,915 17

EARNINGS AND PAYMENTS.

EARNINGS.

Roads operated with steam:	
Passenger	$18,596,929 71
Freight	28,186,933 97
Other sources	1,869,103 62
Total earnings	$48,642,966 30
Roads operated with horse power:	
Passenger	$5,694,943 38
Other sources	253,714 11
Total earnings	$5,948,657 49

PAYMENTS OTHER THAN FOR CONSTRUCTION.

Operated with steam power:	
Transportation expenses	$38,960,017 82
Interest	4,719,913 30
Dividends on stock	4,907,497 10
Carried to surplus fund	155,000 24
Total payments	$48,742,428 46
Roads operated with horse power:	
Transportation expenses	$4,956,066 04
Interest	408,918 93
Dividends on stock	261,171 85
Payments to surplus fund	226,283 46
Total	$5,852,440 28

ACCIDENTS.

Roads operated with steam power:	
Passengers killed	24
Passengers injured	167
Employes killed	92
Employes injured	65
Others killed	111
Others injured	40
Total killed	227
Total injured	272
Roads operated with horse power:	
Passengers killed	8
Passengers injured	26
employesk illed	1
Employes injured	1
Others killed	21
Others injured	35
Total killed	30
Total injured	62

DEDUCTIONS FROM THE FOREGOING RESULTS.

If we exclude the City Roads we have as follows:	
Average number of miles traveled by each passenger	45.13
Average number of passengers in each train	91.73
Average number of miles each ton of freight was transported	117.29
Average number of tons in each freight train	75.47
Aggregate movement of passenger trains is equivalent to passing over the road, times	3,051
Aggregate movement of freight trains is equivalent to passing over the road, times	4,751
Average number of trains passing daily over the road, about	20¼
Average cost, per mile of road, for maintaining roadway	$4,923 18
Average cost, per mile of road, for repairs of machinery	$2,028 66
Average cost, per mile of road, for operating road	$5,878 42
Average cost, per mile of single track, for maintaining roadway	$2,996 87
Average cost, per mile of single track, for repairs of machinery	$1,848 79
Average cost, per mile of single track, for operating road	$3,576 56
Average sum received for carrying one passenger one mile	.0294
Average sum received for transporting one ton of freight one mile	.0325
Average number of miles of travel for each passenger killed	20,496.760
Average number of miles of travel for each passenger either killed or injured	3,832,054
Average number of passengers carried for each one killed	675,643
Average expense is 73.39 per cent. of all the earnings.	

CALIFORNIA RAILROADS.

Without discussing at this time, (we quote the *Mercantile Gazette and Prices Current* of San Francisco, January 9, 1866.) the importance of the construction of domestic railroads to the people of the Pacific coast, we will simply say, the want of them has come, at last, to assume the shape of a supreme necessity. We must have them, or stop where we are—since it is useless to talk of increased population and growth in wealth, or other substantial progress, without the aid of railroads to facilitate interior transportation and travel. As auxiliaries in opening up the mining regions east of the Sierra such is felt to be their importance that it is perhaps hardly putting the case too strong to say, we had no business there until they had been connected with tide-water by means of a railroad—it being a point open to serious question if we have not lost money in attempting the development of mines where more than a quarter of their gross earnings has been paid out on account of freights alone. Be that as it may, certain it is that the productiveness of those mines, and the future progress of operation in those distant regions, must be greatly retarded so long as these facilities are denied them.

CENTRAL PACIFIC RAILROAD.—This company was organized for the purpose o constructing a railroad from the Pacific coast to the Eastern boundary of the State, and thence on, until it shall effect a junction with the great Trans-Con

tinental Railroad approaching from the East. Careful preliminary surveys having been completed, resulting in the choice of the present route, via the Donner Pass, as presenting advantages over all others across the Sierra Nevada, the labor of grading was commenced in 1863, since which time work has been pushed with all practical expedition—55 miles of the road, extending from Sacramento to Colfax, being now completed and in operation. The grading to Dutch Flat, 14 miles further, including some of the heaviest work on the entire route, being also nearly finished. Upon this portion, the track will soon be laid, and the locomotive running. In the meantime, work has been vigorously prosecuted, and it is expected the grading will be completed to Wilson's Valley during the coming spring, a distance of 85 miles from the Sacramento Terminus, and within 20 miles of the summit of the Sierra—at which point the road will have attained a height of 5,286 feet above the level of the sea. From the summit to the Big Bend of the Truckee, the road will be finished during the coming year, as this portion will probably be laid in advance of a completed line over the Summit, where the heavy character of the work, for a short distance, must necessarily delay it somewhat. Beyond the Big Bend, the construction of the work will be comparatively easy, as the track can be prepared as the superstructure can be laid, and it is now confidently believed the cars will be running from this city to Salt Lake inside of four years. The company's road has so far progressed as to be able to take a good portion of the freight and travel now going over the mountains, and they expect to secure a large and lucrative business from that source the coming season. The further the completed portion of the road is carried east, the greater the amount of business that will be drawn over it, until —when it shall have mounted the summit of the Sierra, it will secure the great bulk of the Washoe and Salt Lake trade, as well as that of Southern Idaho and Montana. The finances of the company being now easy, and its affairs administered with energy, this great national work will no doubt be carried forward with an expedition commensurate with their means and the expectations of the public. It is their intention to employ 10,000 laborers the present year.

Sacramento Valley Railroad.—This old and well established road, the first constructed in the State, transacted a large business the past year, as it had been doing for several years before. Its local business has especially increased of late, and having passed into the hands of a new management, it will probably soon be relieved from the burden of debt that has long oppressed it, and be made a source of profit to the stockholders.

Western Pacific Railroad.—This Company was incorporated in 1862, with a capital of $5,400,000 for the purpose of building a Railroad from San Jose to Sacramento via Stockton, to form the connecting link between the San Francisco and San Jose, and the latter and the Central Pacific Road, the whole to constitute the Western division of the National Pacific Railway, and when completed in sections of twenty miles each, will receive Government thirty-year six per cent. bonds to the amount of $16,000 per mile, and Government lands to the extent of every alternate section within twenty miles on each side of the road. Of the stock, 1,500 shares of $100 each are held by the county of Santa Clara, and 2,500 shares by the county of San Joaquin. Two hundred

and fifty thousand dollars, in thirty year bonds, were donated to the company by the city and county of San Francisco. The road is one hundred and twenty miles in length, or seventy-four miles from San Jose to Stockton and forty-six from Stockton to Sacramento. The contract for constructing and equipping the entire road has been let to Charles McLaughlin, who is prosecuting the work with all possible speed. The first section of twenty miles, reaching Vallejo's Mills, is nearly graded, and the cross-ties for the same are delivered. Sufficient iron, chairs and spikes for twenty-four miles, have been purchased and shipped from New York. A large quantity of the iron has already arrived in San Francisco, and the contractor is laying the same immediately upon arrival. McLaughlin has also entered into a written contract with the Renselaer Iron Company of Troy, New York, for the supply of 8,000 tons additional iron, to be shipped as fast as manufactured, and which will complete the road to Sacramento, with all side tracks, etc. Sufficient rolling stock for twenty miles has been received in San Francisco, and the remainder will arrive in season for the requirements of the road. The first twenty miles of the road will be in running order early in the coming Spring, and it is expected that cars will make their regular trips to Stockton before the close of the year 1866. Within a very few months thereafter the track will be extended to Sacramento and the work completed.

San Francisco & Oakland Railroad.—The present western terminus of this road begins at the end of a wharf extending 2,500 feet from the Oakland Encinal into the Bay of San Francisco, whence it runs through the town of Oakland to San Antonio, a distance of five miles. It is the intention of the Company to extend this wharf and also their road to the Island of Yerba Buena opposite, whence this city will be reached by ferry boats in the space of four minutes, the intervening distance being only about one mile. The daily average number of passengers now crossing on this route is estimated at 2,500. The road will ultimately be extended to connect with the Alameda Railroad.

San Francisco and Alameda Railroad.—The main trunk of this road commences at the western end of the Encinal of Alameda, and passing through San Leandro and Hayward's, extends to Vallejo's Mills, where it intersects the Western Pacific Railroad. A branch is also to be built from Hayward's to another point in Amador Valley. The portion from Alameda to Hayward's, 16¼ miles, is now in operation, and work on the balance is being pushed ahead. A line of first-class ferry boats runs in connection with this road, the distance from the city to the western terminus being 5¼ miles.

San Francisco and San Jose Railroad.—This Company was incorporated in July, 1860, with a capital of $2,000,000, and their road completed in December, 1863, since which time it has been doing a large and profitable business. Its length is 50 miles, leading through one of the finest agricultural districts in the State, insuring for it a constantly increasing business.

Placerville and Sacramento Valley Railroad.—This road taps the Sacramento Valley Railroad at Folsom, and is now in good running order as far as Shingle Springs, a distance of 26 miles.

California Central Railroad.—This road was commenced in 1862, and connects Folsom with Lincoln. Length, 18 miles.

Yuba Railroad —Is now in process of construction from Lincoln to Marysville. The ties and iron are all purchased for the whole distance, 22 miles, and it is graded to within about four miles of Marysville. This road will doubtless be completed early in the coming spring, and will command the entire Northern trade and travel.

Northern California Railroad.—Is completed and running to Oroville, a distance of 29 miles. It is to the extension of this road to which our people look for railroad connection ultimately with Oregon Its course will lead directly up through the Sacramento Valley, and, crossing through, passes in Trinity and Scott Mountains, traverses Scott Valley in Siskyou County, and so on into Oregon.

THE TELEGRAPH WIRE TO INDIA AND CHINA.

The first meeting of the Institution of Civil Engineers, held on the 14th November ult., was occupied by the reading of a paper "On the Telegraph to India and its Extension to Australia and China," by Sir Charles Tilston Bright, M. P. The total length manufactured was 1.234 nautical miles, weighing in all 5,028 tons. Five sailing vessels and one steamer conveyed the mass of submarine cable to Bombay, and the submersion was commenced by the author on the 3d of February, 1864, at Gwadur, on the coast of Belochistan, the whole being completed by the middle of May in the same year. The cables were laid for the first time successfully from sailing vessels towed by steamers, by which a considerable was effected, compared with the cost of sending the cable round the Cape in steam vessels. It was expected that the Turkish land-line between Bagdad and the head of the Persian Gulf, would have been completed simultaneously with the submersion of the Persian Gulf line. In this, however, much disappointment was experienced owing to the Arabs, on a portion of the route, in the valley of the Euphrates, being in revolt against the Turks. In consequence of this, the opening of the entire line between Europe and India was delayed until the end of February in the present year, when a telegram was received in London from Kurrachee, in eight hours and a half. This was speedily followed by numerous commercial messages to and fro, and a large remunerative traffic was now daily passing. The author, however, complained of the delays and errors arising upon the Turkish portion of the line between Constantinople and Belgrade; the service on the portion of the line worked by the Indian Government, between India and the head of the Gulf, being performed rapidly and efficiently.—*Builder.*

RAILWAYS IN INDIA.

Perhaps the most marvellous illustration of recent progress in India is this The annual official holiday, known as the Doorga Pooja, begins on the 26th of next month, and lasts about a fortnight. Yesterday the great Jumna Bridge, near Allahabad, was opened to the through traffic, reducing the delay between Calcutta and Delhi by two hours. The East India Railway Company offer holi-

day makers return tickets available for three weeks between the two capitals—English and Mussulman—for £7 second, and £12 first-class, and each may take two servants at £2 2s. a head, besides luggage. The distance both ways is 2,040 miles. Moreover the superstitious Hindoo is tempted to visit his holy kasi, Benares, by the offer of a third-class ticket for £1 4s., a distance both ways of 1,081 miles. You cannot match that in England. Who, ten years ago, before Lord DALHOUSIE, would have believed it possible? Low fares for both passengers and goods, but especially the latter, are likely to accomplish great things in India. During the past half year the Eastern Bengal Railway has lowered its rates to compete with the river traffic, and the result is a net profit of 4¼ per cent, which certain improvements, now in progress will raise above 5 per cent. The Indian Railway, because it is completed and its rates are low, pays its way The rest will follow.

INTERNAL REVENUE IN NEW YORK.

The receipts on account of internal revenue in the city of New York since October, 1862, show a total of $64,222,056, and so rapid has been the increase that more than one half the whole, or $37,156,411 were collected in the year 1865. The following are the aggregates in each district of the city for 1863, 1864, and 1865:

	1863.	1864.	Increase.
32d dist.	$1,399,881 62	$4,876,907 73	$3,474,026 11
4th dist.	2,169,138 58	4,020,762 14	1,758,567 57
5th dist.	508,987 30	1,054,017 21	545,929 91
6th dist.	1,190,976 97	2,899,881 54	1,708,804 57
7th dist.	458,261 48	955,386 67	502,125 19
8th dist.	1,700,300 42	3,594,679 25	1,892,879 83
9th dist.	489,558 98	944,137 68	454 578 70
Total	$7,911,105 35	$18,242,773 22	$10,331,667 87

	1864.	1865.	Increase.
32d dist.	$4,873,907 73	$10,269,871 55	$5,425,963 86
4th dist.	4,020,762 14	8,466,158 50	4,445.396 36
5th dist.	1,054,017 21	1 827,381 63	773,364 42
6th dist.	2,899,881 54	4,300,378 96	1,400 497 52
7th dist.	955,386 67	1,626,384 91	670,998 24
8th dist.	3,592,680 25	8,558,657 52	4,965,977 27
9th dist.	944,137 68	2,077,578 47	1,133,440 79
Totals	$18,242,773 22	$37,156,411 58	$18,913,638 36

Collections in 1862 (three months)	$911,765 99
" 1963 (calendar year)	7,911,105 35
" 1864	18,242,773 22
" 1865	37,156,411 58
Collections in three years and three months	$64,222 056 14
1862-1863	$11,003,192 93
1863-1864	116 850,672 44
1865-1866	211,119,529 17

THE BOOK TRADE.

An Act to create a Metropolitan Sanitary District and Board of Health therein, for the Preservation of Health, and to Prevent the Spread of Disease.

After a contest of weeks, the Legislature of New York, having tossed the Metropolitan Health Bill like a football from one House to the other, amending and re amending it, has brought the controversy of eight years to a close by concurring in the report of their Conference Committee. The bill did not reach the table of Gov. Fenton till he had left for Washington, but will be speedily signed upon his return to Albany. The public mind will at least be set at rest, and the extraordinary provisions will go into effect, we presume with approval, by those who believe in regulating their everyday life by specific legislation.

In 1858 the four Senators from this city, Messrs. John C. Mather, Smith Ely, Jr., Richard Schell, and John Dougherty, were appointed by the Senate a Committee to sit during the recess for the purpose of taking testimony in relation to the sanitary condition of New York. Their report, published in 1859, shows a careful and rigid performance of this duty, and is thoroughly exhaustive A Health Bill was prepared, which passed the Senate, and was lost in the Assembly, owing to the treachery of a member from New York.

The attempt was renewed in 1860, and a bill introduced creating a Metropolitan Board of Health to supersede the present Board, the City Inspector and Street Commissioner. After interminable delays it was placed on its third reading, when Mr. H B. Miller of Erie, opened fire upon it, and it was lost. Hon. Lucius Robinson, in 1861, renewed again the effort, and under his lead the bill actually passed the Assembly, but the furore of patriotism which followed the firing upon Fort Sumter was employed by the adversaries of the measure to deter its friends from pressing it in the Senate. In 1862 it again passed the Assembly, but was lost in the Senate, aided by the operations of the Committee on the Internal Affairs of Towns and Counties, to which it had been referred. No sanitary legislation was attempted in 1863, owing to the political dead-lock in the Assembly. In 1864 the Committee on Public Health of the Assembly did not report the bill. Last winter a bill very similar in its provisions to the one just passed, except that it did not abolish the City Inspector's Department, was introduced by Mr. Laimbeer, and passed the Senate. It was adopted as a party measure by the Union caucus of the Assembly, but was lost on the third reading, by reason of the defection of several members. In January last the bill was introduced again into the Senate by Mr. Lent, and in the Assembly by Mr. T. E. Stewart It proposed to create a Board of Health of eight members, the four Police Commissioners and four physicians named in the third section. The Senate passed it in this form, after which the Assembly amended it by substituting a Board of five Sanitary Commissioners, to be ap-

pointed by the Governor and Senate. The Senate refused to concur, and a Conference Committee, on the part of both Houses, agreed, as a compromise upon a Metropolitan Board of Health, to consist of the Health Officer, four Police Commissioners, and four Sanitary Commissioners, three of them to be physicians, and one of the four to reside in Brooklyn. The bill in this form passed both Houses on Saturday, Feb. 17.

The bill includes the territory of the Metropolitan Police District in "the Metropolitan Sanitary District of the State of New York," and places it under control of "the Metropolitan Board of Health," constituted as before explained. The term of office of the Sanitary Commissioners is four years, one to expire every year, as determined by lot. These Commissioners vacate office upon accepting any other office or nomination for an elective office, and may be removed by the Governor under the provision of the law for the removal of sheriffs. Vacancies occurring during the recess of the Legislature are to be temporarily filled by the Governor. The Board, upon organizing, and annually thereafter, will select one of their number to be President, and another to be Treasurer; and also appoint some suitable person Secretary, who shall not belong to the Board. The salaries of the Sanitary Commissioners are fixed at $2,500 per year; the Police Commissioners and Health Officer receive $500 a year; the Treasurer an additional sum of $500 a year.

All the powers of the present Boards of Health of New York and Brooklyn, the Commissioners of Health, Mayors and Common Councils of those cities, Presidents of the Boards of Aldermen and Councilmen, Resident Physician, City Inspector, etc., relating to the public health are conferred upon the Metropolitan Board, but the duties of the Croton Aqueduct Board, Street Commissioner, Superintendent of Unsafe Buildings, City Comptroller, and the board authorized in 1865 to contract for the cleaning of the streets, are not affected. The President of the Board of Health, however, takes the place of the City Inspector as a member of the Street Cleaning Board. The department of the City Inspector is abolished, and his books and papers, the duties of registration of births, marriages and deaths, the preservation of vital statistics, etc., are vested in the Metropolitan Board of Health.

The executive functions of the Board are devolved upon a Sanitary Superintendent, "an experienced and skillful physician," and two assistant superintendents, one for New York and one for Brooklyn. The Board are also authorized to appoint fifteen "Sanitary Inspectors," ten of them physicians, to fix their salaries and define their duties and districts of inspection; also to employ clerks, servants, and attorneys, as may be necessary. The salary of the Sanitary Superintendent is limited to $5 000; of each assistant to $3 500; of the Secretary to $3,500. The other affairs are subject to the action of the Board. Engineers may also be employed from time to time to make sanitary surveys, and drawings and plans relating to them. But except in times of peril to the public health, so declared by the Board and by proclamation of the Governor, the expenditures are limited to $100,000.

Supreme power is conferred upon the Board of Health to declare that "any building, erection, excavation, premises, business pursuit, matter or thing, or the

sewerage, drainage, or ventilation thereof in said district," in whole or in any particular, is a public nuisance or dangerous to life or health. The Board may accordingly order the "nuisance" to be removed, abated, suspended, altered, or otherwise improved or purified. It may also "order or cause any excavation, erection, vehicle, vessel, water craft room, building, place, sewer, pipe, passage, premises, ground, matter or thing, in said district or the adjacent waters, regarded by said Board as in a condition dangerous or detrimental to life or health, to be purified, cleaned, disinfected, altered, or improved; and may also order any substance, matter or thing, being or left in any street, alley, water, excavation, building, erection, place or grounds, whether such place where the same may be is public or private, and which the said Board may regard as dangerous or detrimental to life or health, to be speedily removed to some proper place" selected by the Board. It is the duty of the Board of Police to execute these orders of the Board of Health, or the latter Board, if it deems proper, may execute its orders through its own officers and agencies. All expenses incurred upon private property under this act are made a lien upon the same.

All owners, tenants, lessees, or occupants of property in the district and persons carrying on business, or having charge of places or buildings are enjoined to keep the same in such condition as not to be prejudicial to life or health. Any member of the police force and every inspector or officer of the Board of Health, as the regulations may respectively provide, may arrest any person who shall violate, or be engaged in committing any act forbidden by this act or of any law or ordinance of the Board of Health, or who shall resist the enforcement of any order of the Board of Health, or of the Board of Police, in pursuance of such order, and the offence shall constitute a misdemeanor.

The Board of Health, the Health Officer and the Board of Quarantine Commissioners are required to co-operate together to prevent the spread of disease and for the protection of life and the preservation of health. There shall also be an interchange of sanitary information with the health authorities of the several towns and cities of the State for the same purpose, medical relief shall also be afforded to the poor, and hospitals for the established reception of patients sick with small pox and contagious diseases. The Board also, in concert with the Governor, may proclaim the presence of great and imminent peril to the public health, and in such cases may perform such acts and incur such expenditures as the exigency shall demand, the Board of Police may co operate with the Board of Health and promptly advise of all threatened danger to life or health, and report to the latter all violations of its rules and ordinances. The authority of the respective Boards in relation to sanitary matters is the same as a special order of a justice or judge duly issued.

The Board of Health is required to report annually to the Governor upon the sanitary condition and prospects of the district, and its expenditures; and shall suggest further legislation whenever the same may appear to be required.

The Board may also enact a "Code of Health Ordinance" which shall be published on or before the 10th day of May in each year in two daily newspapers in New York and in Brooklyn; and afterward shall go into effect on the first day of June, to remain in full force for one year, unless annulled. All courts

and tribunals, or any judge or justice of them, shall take cognizance and enforce such ordinances by penalties not exceeding $50. The Board will also exercise the authority conferred by all laws relating to cleanliness and to the sale of poisonous, unwholesome or deleterious or adulterated drugs, medicine or food. The Board may also require in formation relative to the safety of life or the promotion of health, from public dispensaries, hospitals, asylums, infirmaries, prisons schools ;. also, from all other public institutions, and from the proprietors, occupants, lessees and managers of theaters and other places of public resort or amusement in the sanitary district.

A special fund to be kept in the Treasury of the State, is created from the sums of money provided or raised for meeting the expenses to be incurred under this act. All payments shall be made from it under the order of the Treasurer of the Board as the Board shall direct. The Mayor and Comptroller of New York, the Mayor and Comptroller of Brooklyn and the members of the Board of Health are directed to convene at the office of the Board—at the Metropolitan Police Head Quarters—on or before the 1st day of August in each year as a Board of Estimate to make up an assessment for the expenses of the Board for the year. This estimate shall include also a written apportionment of the expenses to be awarded as the law directs to each county, city and town in the district—the salaries and compensation of members of the Board and the officers and employes, to the county where they belong; the general and contingent expenses to the counties of New York and King, and the expenditures incurred in the other counties, to the respective counties. The Board, in anticipation of the receipt of moneys for its current expenses, may borrow such amounts as may be required on the credit of this act.

All violations of the provisions of this act or of any order of the Board made in pursuance, or of any by-laws or ordinance referred to in it, together with obstructions or interference with any person in the execution of any order of the Board, or of any pursuant order of the Board of Police; and all wilful or illegal omission to obey such order, or to conform to any sanitary regulation of the Board; and all cases in which it was made a misdemeanor to do or omit to do any act, when any power or authority hereby conferred upon the Board of Health was exercised by any other Board or officer, are declared to be misdemeanors—subject to indictment and to an additional penalty of $250.

It is the duty of prosecuting officers of criminal courts and police justices to act promptly upon all complaints and in all suits or proceedings for any violation of this act, to bring the same to a speedy hearing, and to render judgment and direct execution without delay.

The 1st day of March is fixed as the day for the new Health Law to go into effect, and supersede all other sanitary authorities now existing in the territory of the Metropolitan Police and Sanitary District.

CONTENTS OF MARCH NUMBER.

ART.		PAGE.
1.	The Rehabilitation of the South	169
2.	Railroad Accidents in Ohio and other States	174
3.	Errors of the Mariner's Compass	184
4.	Merthyr and its Iron Works	186
5.	Marine Insurance	188
6.	Debt of North Carolina	192
7.	Analyses of Railroad Reports No. 6	194
8.	Commerce of New York for 1865	206
9.	California Gold, Quicksilver, etc., for 1865	213
10.	Finances of the City of Providence	216
11.	The United States Debt	218
12.	Immigration	219
13.	Copper Mining Companies	220
14.	Production of Gold and Silver	224
15.	Philosophy of Shipments	228
16.	Internal Revenue Returns	234
17.	Commercial Chronicle and Review	234
18.	Journal of Banking, Currency, and Finance	239
19.	Railway, Canal, and Telegraph Statistics	239
20.	California Railroads	240
20.	The Telegraph Wire to India and China	243
21.	Railways of India	243
22.	Internal Revenue in New York	244
23.	The Book Trade	245

THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

APRIL, 1866.

HOW TO RESUME SPECIE PAYMENTS.

BY. R. G. HAZARD.

PEAN DALE, R. I., Nov. 25, 1865.

MY DEAR SIR—In compliance with your request I have carefully read the letter addressed by Mr. John D. Van Buren to the Secretary of the Treasury. You observed that Mr. Van Buren's reputation and financial experience entitled his views to respectful consideration.

These may also serve to give them weight and popular currency, and I notice that they already have influential advocates.

Many of his positions seem to me untenable, and though there may be no reason to apprehend that they will mislead Mr. McCulloch, still the infusing of wrong notions upon this subject into the public mind may embarrass the efforts he is making for a gradual return to specie payments. The propagation of opinions which induce the hope and the expectation that this result can be reached without first contracting the currency seem to me eminently calculated to produce this effect. The current popular ideas influence the action of Congress, and Mr. McCulloch and his predecessors, though in the end generally obtaining what they desired, have no doubt been sometimes embarrassed by the want of timely legislation. I send you with this some of the results of my examination, and remain Yours, very truly,

JOHN J. CISCO, ESQ. R. G. HAZARD.

Under the heading "How to Resume Specie Payments Without Contraction," Mr. Van Buren says: "My proposition is, instead of taking in our irredeemable paper, to leave it all out, but to make it redeemable; to bring up our money to a specie value without lessening its abundance, instead of squeezing it down to the specie standard by making money scarce."

He subsequently says that legal tender notes rising to a par with gold is the same as gold falling to a par with legal tender, and, as he proposes that legal tender shall continue to be the medium actually used, the latter xpression ("gold falling") is most in harmony with his plan.

The scheme, in its inception, is evidently based on the belief that the quantity of money in circulation may be increased without diminishing the purchasing power of a given amount of it.

Now if $400,000,000 is sufficient to make all our exchanges, and $600,000,000 of paper, or even of gold, is supplied for the purpose, other things remaining the same, there would be $200,000,000 for which there would be no possible use; that amount would be steadily thrown back into the hands of those who owned or issued it; it would remain idle, and the circulation would *in fact* be only $400,000,000. But the whole $600,000,000 would competitively seek use, and prices would rise; speculative purchases would at first make additional use for money, by increasing the the number of exchanges of the same articles, but eventually the prices must settle at just fifty per cent advance. If this view is correct, and there are various modes in which it may be confirmed, Mr. Van Buren's proposition is self-contradictory, and the end proposed impossible in the nature of things.

But, even if this theoretical view is not deemed conclusive, the means by which he proposes to bring the price of gold to that of legal tender are in direct opposition to all experience. His plan is for the government to hoard gold to the amount of $150,000,000, withdrawing that amount from market before using any of it to redeem the paper money: to lessen the price he would diminish the supply. It may be suggested that he intends to raise paper to gold I have already remarked that, in Mr. Van Buren's view, it is proper to speak of reducing the price of gold, rather than of advancing that of paper, but, for the moment, let us adopt the latter. To enable the Government to retain the gold, Mr. Van Buren proposes that paper be issued at the market price to pay the gold interest. To bring the prices to an equality then, he really proposes to diminish the supply of the gold, which is already at the higher, and increase the supply of the paper which is at the lower price.

Mr. Van Buren argues that as legal tender would answer for all the purposes of our internal trade, $150,000,000 in gold might be withdrawn without tending to advance its price, or to produce distress or disturbance. But gold with us is now a mere commodity, and a commodity for which, *in fact*, there is a use and a demand for the *whole supply* at about 150, payable in legal tender. Lessen the supply, and competition would advance the price to what it would command for the more urgent of these uses. Rich men, whose bones were rattling with the chills, would pay large premium for it to import quinine, and the quantity might be so reduced that the Miss Flora McFlimseys in extremity for "something to wear," would clutch the balance at any price to pay for Parisian dresses and gew-gaws.

It may be said that a portion of our gold is now employed in worse than useless speculation, as a mere implement for gambling on the stock exchange. But this hoarding of $150,000,000 would, no doubt, greatly aggravate the evil, and cause the demand for this purpose to be much increased. Before this amount was obtained, gold would probably sell at 300, and I think even at a much higher rate.

Mr. Van Buren proposes that, when the gold is thus accumulated, the Government should offer to redeem the legal tender at par, and thus make gold and paper equivalent. But he also proposes to reissue the paper re

deemed; non-diminution of the paper is a distinct and prominent object of his scheme.

The accumulated gold must have been withdrawn from that in use, or from the non-export of the product of our mines, or from import. Enhanced price is the only practicable means by which it would be effected in either of these modes.

Suppose, first, that the gold has been hoarded from that in use. The Government proceeds to pay it out at par, and gets $150,000,000 of paper, which it also re-issues. The whole process then ends where it began; neither the quantity of gold or of paper in circulation is changed, the prices will conform to these same conditions, and gold will be at the same premium as before the hoarding was begun, though not at the higher rates which compelled the abstinence from its use, without, which, the hoarding would not have been possible.

Again, suppose that the hoarded gold came from the non-export of the home product, or from import. Here, too, high prices must have compelled abstinence in the use of those imports which otherwise would, in either case, have been had in place of the gold. The hoarded gold, we may now assume, is so much added to the national wealth by this enforced economy.

The Government again pays out $150,000,000 of gold thus saved in exchange for the same amount of paper, and re-issues the paper. In virtue of the accumulation, the Government might for the *moment* maintain the proposed equality, and, if it proved to be permanent, it would conclusively demonstrate that the amount of circulation was previously not only in excess, but that it was absolutely $150,000,000 short of the requirements of trade upon a specie basis, for $150,000,000 has now been actually added—paper is at par with gold, and of course the prices of all other commodities conform to it. Property must then generally rise in price, and, if gold falls, it only shows that it was before high because, as compared with other commodities, it was relatively scarce. By a forced economy in its use, its supply and its price have been brought to an equality with the other commodities, just as if flour were scarce and high in proportion to other breadstuffs, and Government, by hoarding it, should compel abstinence in its use, for consumption or export, till the accumulated supply would suffice to equalize prices. But it is not for a currency which is too much curtailed, but for one too much expanded, that a remedy is now sought and proffered, and neither the mere hoarding and rediffusion of $150,000,000, or the addition of that amount of gold to the currency, give any promise of salutary results.

By the last process, so long as the paper money is really in excess of the wants of trade, we should not even realize the reward properly due to the abstinence by which the gold was accumulated.

As Mr. Van Buren says, while we are using irredeemable paper a large share of our coin is constantly shipping away to foreign countries.

This is because, being thrown out of use, it becomes relatively cheaper here than in other countries. The same thing would occur with the wheat and iron on hand if, from any cause, we ceased to use those articles. This export of gold will occur whenever it becomes relatively cheap here as compared with merchandize.

When we are paying specie, if the paper is inflated, we get more than

our share of circulating medium, and, the whole mass being alike depreciated, the gold portion is exported to where it is of more value.

This result would follow, in an aggravated form, if, with a surplus of paper, which makes gold worth $1 50, it should at once be redeemed at par. As before stated, with the accumulation of $150,000,000, this might be temporarily effected, but the gold would disappear in the process.

To illustrate this: suppose we have double the circulation required, the price of commodities, gold included, would then, on the average, be doubled also. But all these are liable to fluctuation from speculation and other special and temporary causes. Suppose, then, that while all others are at 200—the point due to the amount of circulation—gold is by some means reduced to 150.

A yard of silk sent by a French merchant, which, with a specie basis, would be worth $1, now sells for $2 paper, but with this the owner may obtain and take from us in gold $1½ instead of $1, which was the real value. If the relative depreciation of gold arose from our having more of it than our legal tender basis required, the discrepancy would soon be thus corrected by the foreign demand, and gold would rise to 200; but, if the depreciation was artificial, gold would be exported till its price rose to 200, and, when the artificial causes ceased to affect it, it would rise to *over* 200. The same thing might occur in regard to wheat. These artificial aberrations are generally soon regulated by the action of the laws of trade. These views, however, indicate that, as gold is now especially needed to reform our finances, it would be unwise by any artifice to reduce its price below that due to the quantity of paper in circulation, but that it would be better, if *possible*, to keep it above that point.

Without attempting to determine what, with our present circulation, the normal price of gold would be, I will remark that the tenacity with which it clings to over 146, at a season of the year when large amounts of paper are required to move the crops, and when its price has been depressed by the substituted export of cotton at high prices; by the avowal of the policy of contraction and the actual funding of $50,000,000 of legal tender, or its equivalent; by a stringency in money, and by sales of gold from the surplus in the treasury, indicates that under average circumstances it would be at over 150. A comparison of the amounts of currency and of the requirements of the country before and since the war, I think, would lead to the same conclusion.

Mr. Van Buren puts little stress on what seems to me a source of much difficulty—the addition of the bank note circulation to the legal tender. At present there seems to be no sufficient inducement to check the issues of the national banks by returning the bills for redemption. The Government and the banks receive them at all times and places on same terms as they do the legal tender, in which they are redeemable.

Mr. Van Buren deems this unimpeded circulation of our currency favorable to his plan. It seems to me directly the reverse. Little as he apprehends from the quantity of paper, he would hardly maintain that its diminution would not facilitate the return to a specie basis, by his own or any other plan. If any portion of the notes were at all times in transit for redemption, the amount would, to this extent, be practically lessened; and if they would not suffice for all purposes, at all places, their circulation would be so far retarded, *i. e.* they would not suffice for so many ex-

changes in the same time, which would be equivalent to a diminution of their quantity.

If the depreciation of the currency arose from the want of national credit, the exhibition of large means of payment in the hands of the Government might have some effect, but even then the expediency of increasing paper issues to accumulate gold would be very doubtful, if not absolutely absurd.

During the war there was, no doubt, apprehension that the legal tender might be *increased* so as to produce much greater depreciation, and hence gold panics. That there was, even then, no serious or general distrust of the ability of the Government, is shown by the fact that the price of real estate, which would have been most enhanced by such distrust, remained almost stationary, and now there is very little if any ground for believing that the value of our currency is depreciated by any doubt of the national credit. Mr. V. says, it is obvious that when we have reached the end of the process prices of all kinds of property will fall in the ratio of 146 to 100. As the quantity of paper money is not to be be diminished, I do not see that there would be any tendency to such a result. His object seems to be to get back to a specie basis without producing a monetary panic, which he thinks will be the inevitable consequence of contracting the currency. I have no hope that the end can be reached by any other mode without unwarrantable delay; nor do I believe that a panic is a necessary consequence of contraction. One opportunity has already occurred during this year, when about one half the work of resumption could have been accomplished without any monetary pressure. About the time of the surrender of the Confederate forces, there was a general belief that, with the close of the war, ordinary prices would again obtain. Singularly enough there was a prevailing idea, even with intelligent merchants and bankers, that the diminution of Government expenditures would reduce the price of gold, and of merchandize generally. The tendency is obviously the reverse, making less use for the currency, and throwing that portion of it heretofore required for the operation of the Government into the channel of trade, thus increasing the redundancy and inflating prices. Under the influence, however, of these erroneous views, everybody hastened to sell, and prices of gold and merchandise fell nearly one-half. Gold fell from 200 to 128; at these prices, of course, money soon became greatly in excess. The effect of this excess was retarded by the payment of very large amounts to the army, and money paid in that way circulates slowly. The excess, however, was soon felt in trade, and might then have been retired without producing any monetary panic, or even stringency. Gold would have remained at about 128, leaving only the 28 per cent. to be overcome preparatory to a resumption of specie payment. The opportunity was not availed of, and the surplus money soon caused a reaction in prices, which, while gold has only gone to about 146, have generally reached as high a point as when it was over 200, and a money pressure has been the consequence.

No blame, or even want of vigilance, is to be imputed to the Secretary for not availing of the opportunity to arrest the price of gold at 128. In the opinion of many very judicious business men the fall was too rapid, involving the debtor interest too suddenly in great losses. Besides, he was embarrassed by the existence of the law requiring the issue of $300,000,-

000 of National Bank currency, and the nonexistence of any law for the funding of that portion of the legal tender which bore no interest. The thing may yet be accomplished, though the difficulties are increased, and are still increasing by delay.

Whenever any reliable plan for contracting the currency is decided upon and made public, prices will again decline in anticipation, and the surplus thus released from the wants of trade may be withdrawn without making money scarce. Merchants having just made the mistake of depressing prices, when the result showed that they were needlessly alarmed, will probably be less prompt in taking the same step even when there is good ground for it, and, so far as they strive to hold goods when the currency is being diminished will make money scarce. This is an accidental circumstance and not a necessity of the case.

The more serious difficulty is that of the disturbance of the relation between debtor and creditor, and for this Mr. Van Buren suggests no remedy. He states that with the general decline in the prices of property "the owner will get for it just as much, and what will buy him just as much, of other things as he can get now." The important fact that it will not buy as much of his own notes, or pay as much of his indebtedness, is wholly ignored. The indebtedness of merchants is now very small, but there is reason to apprehend that the old system of extended credits is being inaugurated. The present scarcity of money tends to induce it, and the difficulty, which arises from the injury to the debtor interest, may soon be vastly augmented. In another way, too, an enlargement of credits would be an obstacle. The individual credits would perform the functions of money in the exchanges of property, and, so far, be equivalent to a further inflation of currency. These and the further consideration that, recovering from the exhaustion of war, the quantity of merchandise in the country to be affected by the change will probably increase, indicate that the measures requisite to resumption ought not to be delayed.

Justice to a large class dependent on fixed incomes also demands the speedy return to the specie basis, which on many other accounts is most expedient. The inevitable fluctuation of prices under the paper system induces a spirit of speculation, and fosters an extravagance which are inimical both to production, and to the saving of that production which constitutes national wealth. Labor does not proceed with that regularity which is essential to its economical application, but by fits and starts—sometimes with fearful hesitancy, and sometimes with a haste which makes waste. It is now discovered that the indisposition of capitalists to invest in permanent fixtures at the inflated prices has caused a deficiency of stores and of dwelling houses for the convenient accommodation of the business of our large cities, and of those who transact it. Buildings are erecting at cost, greatly enhanced by the urgency for their immediate use.

A man buying cotton at the South cannot take the risk of a change in the currency during the long voyage of a sailing vessel, and hence the more expensive transportation by steamer or railroad is resorted to, and at one time large quantities were sent even by express from St. Louis to New York.

We need to get back to that system under which men, now engaged in worse than useless speculation, will return to productive pursuits and pursue them with a steady industry and economy.

The $300,000,000 of National Bank currency looms up as a formidable barrier in our path to resumption, and it is even apprehended that a further issue of it will be authorized at the approaching session of Congress.

I deem it exceedingly desirable that this should not be done, but if the $300,000,000, now authorized, is already appropriated exclusively to a portion of the States, the justice, and even expediency, of furnishing the others with their share will be an urgent reason for increasing the amount.

On reflection, however, I do not apprehend that, even if such measures should be resorted to, it will present an insurmountable or even very serious difficulty, I might state the reasons for this opinion, but have already written much more than I intended.

Since the foregoing was written Mr. Van Buren has, in another letter, somewhat modified his plan, but without relieving it of its main objections. He now proposes that $50,000,000 of gold should be collected in each of the next nine years, and holds that by the second or, at farthest, the third year this would insure the rise of the $450,000,000 of paper to a par with gold.

His whole argument still ignores the fact that the purchasing power of the whole volume of currency cannot be increased by increasing its quantity; that if you double or tenfold it, double or tenfold the amount will be required to pay for the same quantity of labor or property. With the recognition of this his whole fabric crumbles and there are few new points suggested in his second communication requiring attention.

He *assumes* that this scheme is feasible, and then urges the advantages of it. For instance, in regard to contracting, he asks, "would it not be safer to first bring the legal tender notes up to par with gold, and then begin to contract, etc." It undoubtedly would be safer for a person to learn to swim before he ventures into the water, and this to me seems quite as practicable as which Mr. Van Buren proposes to do.

But, even if practicable, why is it better for the government to wait till the notes will cost par rather than buy them now at one third less? He also says, "as the Government has diseased the circulation by infusing into it irredeemable paper, so it will in this way provide the natural remedy by gradually reinfusing gold."

If one has overloaded his stomach with too much bran bread it by no means follows that eating a quantity of nutritious meat will relieve him. This analogy reaches farther than would, perhaps, at first be supposed, for were it possible in such cases to keep the meat on the stomach, and the gold in circulation there would in either case be an aggravation of the evil. In such case the gold would still further inflate the already too inflated currency.

The more natural way would seem to be to withdraw the excess of infused paper which constitutes the disease, and this is the only feasible mode; for if the Government with $450,000,000 of legal tender notes in circulation, when $300,000,000 is all that is needed at gold prices, should *forever* gradually pour gold into the mass, the gold would *forever* disappear, and still leave the $450,000,000 at a depreciation of one third from its face. One might as well pour water into a seive full of buck-shot with the expectation of floating or of infusing the liquid into the mass.

Mr. Van Buren approves the suggestion of Mr. E. Littell that the Government substitute legal tender notes for the $300,000,000 of National Bank notes. He says, "This would leave us plain sailing. We should

have $750,000,000 of legal tender notes but no bank notes. This large quantity of legal tender notes, being one homogenious currency, could be brought up to a current value equal to gold, at least as soon under the process which I suggest, and with quite as small an accumulation of gold as we can bring up the $450,000,000 of legal tenders, encumbered with the $300,000,000 of blank notes."

It may be true that on Mr. Van Buren's plan the $750,000,000 might be brought up as readily as only $450,000,000, and it is surprising that this unlimited application of it did not arouse his suspicion as to its efficiency for either, or, at least, suggest a doubt as to whether an untouched glittering heap of $150,000,000 of gold would really exert the talismanic power he imputes to it.

I will not stop to point out the disastrous consequences which would attend the proposed addition of $300,000,000 of legal tenders, even though the bank notes should be reduced by the same amount. With what I have already said, and am about to say upon another point, I trust this will be sufficiently obvious.

Mr. Van Buren says, "suppose we fund one-half the legal tender notes. What have we gained? * * * * We have not converted the other half into redeemable paper." It by no means follows that we have not, or, at least, that we have not made it *convertable* into gold at par, and it seems somewhat remarkable that Mr. Van Buren holds that merely tantalizing the holders of the superabundant notes with $150,000,000 of gold, which they cannot touch, should have more effect than actually paying them $225,000,000 in exchange for them.

A certain amount of legal tender notes would for our internal trade advantageously take the place of gold. For some purposes they would be better than gold, and, if the amount was not greater than that required for these purposes, they would command par in gold whether the Government redeemed them in coin or not. This was practically proved in the case of the legal tender notes that were received in lieu of gold for duties, which, when the amount was reduced to what was immediately wanted for customs, though not *redeemable* in coin, commanded a premium in gold and so were *convertible* into it with advantage in favor of the paper. The legal tender notes would compete with the bank issues for the general circulation, and if, for all purposes, $225,000,000 is not more than sufficient when the business of the country is on a gold basis, a gold basis would be practically reached, and no mere authoritative dictum could then prevent it any more than it can now produce it without such contraction.

But, Mr. Van Buren, and the advocates of his plan, and, indeed, many others, will probably ask how this result can be reached with the $300,000,000 of National Bank notes still in being? The reply to this is, that with the basis of these reduced to a gold standard they will have no more effect than a surplus of notes of the old banks redeemable in specie had. Suppose, for instance, in 1859, the whole bank circulation being then $200,000,000, the banks had printed and signed new bills to the amount of $300,000,000 more. With the business of the country on a specie basis, and already fully supplied, there would be no use for the added notes, and, if forced out, they would be immediately returned upon the issuers for redemption in gold. And so with a return to specie basis, (and though part of the basis of the bank notes be legal tenders actually con-

vertible into gold), all of the $300,000,000 of bank notes not wanted in place of gold, and, at the price of gold, will return and lie quietly in the vaults of the banks.

This would probably induce a voluntary return of a portion of them to the Government, and of more than enough to supply the sections now deficient. The Government then, by fair competition with the National Banks for the supply of the currency, may, without any violation of good faith to them, secure a portion of the profits of the circulation, all of which they might, perhaps, originally have rightfully claimed.

In regard to artificially reducing the price of gold, Mr. Van Buren, in his second letter, takes the view which I have already suggested in my remarks upon his first, and uses a similar illustration.

"He says, "If the Treasury had a reservoir of wheat at Jersey City, out of which it spasmodically flooded the wheat market, wheat would become artificially low, and would be the cheapest remittance abroad." Now, his whole scheme really is, by artificial means, to enable buyers of gold to obtain it in exchange for paper at about two-thirds its normal value, which, of course, would send the gold abroad quite as certainly as a similar process would the wheat.

I fully agree with Mr. Van Buren that the return to a specie basis (or very near it) should be consummated before the large amount of seven-thirty bonds mature.

Mr. Van Buren gives a "summary of advantages claimed for his method." They are sixteen in number, some of them have already been commented upon, and I can notice very few of the others. If his system is, in fact, impracticable, the hypothetical results which might follow, if it were not so, are of little consequence. He claims "third, it is both gradual and steady." It is much to be feared that when the Treasury, with an accumulation of $150,000,000 of gold, gave notice of its readiness to pay $450,000,000 of paper it would not find the process either *gradual or steady*.

In the eighth, he says of the legal tender notes: "The Government can not pay them now all at once." But the withdrawal of less than one half of them (with a proper system of redemption for the National Banks) would probably suffice to bring the remainder to gold value, and, even if it required an absolute payment, a real lessening of the public debt to this amount by contribution from labor and capital for that object; it is evident that having during the war paid $1,000,000,000 per annum from our spare earnings, we could, with peace, contribute $225,000,000 in one year, or even in less time, without material inconvenience. The $1,000,000,000 per annum for the war, actually consumed, used up, that amount of our accumulated and current products of labor.

But, as it is proposed only to give bonds for the surplus currency, the process would no more be a present drain on the resources of the nation than the payment by a merchant of one note by giving another would be upon his bank deposits. It would simply change the form of the Government's indebtedness from currency to bonds, relieving the people of the superfluous portion of the former, which is *worse* than useless to them, and giving them Government securities in another form for it. Surely there can be no inability to do this now. The Government would annually collect the amount of the interest of the people and pay it back to them. This

fact is sometimes fallaciously urged to show that a national debt is really no burden on the people. When the whole amount is due to the citizens there is a phase of truth to this view, which makes a partial statement of it all the more mischievous. But even then the cost of collecting and of re-distributing the accruing interest, as it becomes due, is a serious loss to the aggregate community. In our case the whole actual cost of the war was a loss incurred and consummated in the annihilation of just so much of the national wealth as was expended. This is irretrievably gone, and equally so whether the cost was defrayed by direct taxation on the product of labor and the accumulated capital of the country, or by hiring a portion of this product and capital for a term of years. Fortunately we had at the beginning of the war just made very large provision in the form of railroads,* and other machinery and appliances to facilitate production, and thus aided, we, in fact, paid the whole expenses of the war as they accrued from the *spare* product of our labor. A very small portion of our bonds (probably not over five per cent. of the whole cost of the war), went abroad; but as we, at same time, reduced our previous foreign indebtedness by a larger amount, we may assume that our war expenses were thus paid from our current spare earnings.

It is obvious then that if the amount had been raised by a tax properly distributed, so that each individual of the community paid his proper share, the present condition, or balance of each man's property, would be, in fact, just the same as it now is, when, instead of raising the money by taxation, it has been hired and bonds given in return for it. Take, for instance, the case of a man who has, in this latter way, furnished just his share, say one per cent. of the whole amount. He has received Government bonds for this one per cent., but he also owes to his fellow citizens the same proportion, or one per cent. on the same amount, and his bonds exactly balance this portion of the debt, which he owes. It is evident that he is neither richer nor poorer than he would have been if the war funds had been raised by taxation instead of the sale of bonds. If this man had furnished less than his share, or say nothing at all, then he will still owe one per cent. of the national debt with no bonds to balance it. He has put his earnings into other property, and owes the one per cent. to be deducted from his assets, which again is the same as though he had been taxed the one per cent., and now held just so much less property free from this lien of the one per cent. So, too, if he had contributed two per cent. instead of one he would then still owe only one per cent of the debt, and hold double that amount of bonds which is still the same at if he had been taxed and paid the one per cent. and retained the other one per cent. in some other property free of the lien of the public debt. When the money loaned to the Government has been thus unequally supplied, great injustice would, of course, be done by cancelling the debt, but if it had been furnished by each individual in proportion to his liability to taxation to pay it—there would be an aggregate gain to the whole bondholders by a surrender of all the bonds and the extinguishment of the debt. The cost of collecting and disbursing the interest would be saved to them by the surrender. Thereafter the annual tax of each would be lessened by just

* These went far to neutralize the loss of the Mississippi River as an outlet for our Western products.

the amount of the yearly interest he before received, and by the *additional amount* of the cost of collecting and paying this interest. And, if there is this gain by giving up the bonds, it is obvious that it would have been more economical never to have given them, and that it is only when the accumulated capital and the current earnings of a nation are insufficient to meet the public exigencies, and aid must be obtained from foreign capital and labor that a resort to loans is a *necessity*. In our own case it is evident that the whole war expenses, having been, in fact met by our own capital and labor, could have been provided for by direct taxation, and with many advantages in favor of this mode, though it must be admitted that the proper distribution of the burthen and especially when, with no organized system of taxation, our experience and even our theoretical knowledge of the whole subject was so very limited, presented very serious practical difficulties. It is, however, still very doubtful whether even in the matter of the proper distribution of the burthen we shall gain anything by the delay. A loan has, at the moment, the advantage of being voluntary, and it may sometimes be advisable to delay the compulsory taxation which must eventually be relied upon. It also has this further advantage that the money will be provided by those to whom capital is of least value, and so, perhaps, interfere less with production. An active producer may need not only all his actual capital, but all his credit, so that he could not even hire the amount of his tax without crippling his productive energies. By a loan the Government assumes the hiring and becomes a mutual insurance company, guaranteeing to those who furnish more than their share of the money, eventual payment from those who furnish less. If, instead of loans, taxation had been resorted to, it is probable that the portion assessed upon capital, then in hand, would have been greater in proportion to that assessed upon the products and profits of labor, than under the system which has been adopted. I will not now further inquire which mode is the more expedient or the more just, my present object being merely to call attention to another consequence to which this distribution of the Government bonds to its creditors has made us liable. First, however, to illustrate these views on a smaller scale, suppose a mercantile association of a number of partners, each of whose interests in the profits and losses of the firm is in same proportion as his liability for the debts. By the burning of their warehouses they meet with a heavy loss, exhausting their capital and destroying their credit; but the individual partners furnish from their private means, each in proportion to his interest, the funds required to continue the business, and each of them takes the notes of the firm payable in some years with annual interest for the amounts. Now, it is evident that if they all surrendered their notes, or if they had contributed the funds without taking any notes at all, no one of them would be either richer or poorer than he is with the notes all held against the firm, and that if they have to pay the expense of an extra clerk to keep the account of those notes, and to collect and pay the interest on them, it would be a saving to them all to surrender the notes, and let matters stand as they would have stood if the money paid in had been a mere assessment, and no notes given for it. They, however, hold the notes, and so long as they were not available for raising money, these partners must conform their expenses to their other means; but when the crisis is passed, and the credit

of the house is restored, they may use these evidences of debt to increase their individual current expenses, and selling them to outside buyers, use up the proceeds, leaving no means for payment at maturity, and the whole concern be thus impoverished by each member of it, having left out of the account the fact that he was liable for the payment of a portion of the notes, on the proceeds of the transfer of which to other parties, they were all living. Their loss was not in the giving of the notes but in the destruction of their property by the fire. The giving of the notes neither directly increased or diminished this loss, but as we have shown they still became a ready means of involving the firm.

So, too, our loss was consummated in the expenses of the war, and our giving notes to our citizens for their contributions to meet that loss, neither increased or lessened the loss, but there is reason to apprehend that these notes are now producing national results analagous to those produced by a like cause in the mercantile firm. From what has been now said it is obvious that the popular belief that hiring the money, or giving notes or bonds for it, even when it is all received of our own citizens, is putting the burthen of the debt upon future generations is a fallacy. In such case, with the debt due to the government, we also bequeath to posterity the same amount due from the government to balance it; which is the same thing as though a rich man should charge his heir with the payment of a mortgage on his estate and at the same time give him the bond of the holder of the mortgage for the same amount. So, too, the mere giving of notes in settlements among ourselves will not of itself increase or diminish the inheritance of our successors. The notes given by the government will just balance the amount of the debt which the holders of the notes are bound to pay: the final result being that the sum expended in the war having been lost, we shall leave to posterity so much less accumulated wealth than we should have done if the same results in all other respects had been reached without this expenditure.

But if now in consequence of the government having given for this expenditure, notes which enable and induce the holders to squander the amount and to transfer them to foreign holders, we thereby make another loss of national wealth and leave our property, already diminished by the war expenses, to our successors burdened with the national debt thus transferred and held abroad.

But this additional burthen of a foreign debt is not a direct or a necessary effect of the loss by the war, but of that extravagance which the issuing of the public credit to a large amount made possible. The effects are also distinct. The war expenses diminish our legacy, our extravagance burdens that diminished legacy with a heavy charge.

By the transfer of the debt to foreigners to pay our current expenses the estate of this generation will pass to the next charged with the debt to the government, and the government will then have to pay to foreigners instead of paying to its own citizens. The estate is still charged with debt, but there is no bond of the creditor to balance it.

It is to be apprehended that the existence of the government bonds making a ready and convenient mode of paying for enhanced expenses in living, now occasions the squandering of at least a portion of our earnings which would otherwise be added to our accumulated wealth, and to this point I would especially invite public attention. If the government

bonds are used to pay our foreign balances, gold is thereby thrown out of use, and this may account for the fact that it is below 150, while other articles, the uses of which are not diminished, average nearly 200 If every body made bread of Indian corn at $1 00 per bushel, wheat might fall from its relative price of $2 00 to $1 50, and the supply of corn being sufficient, so remain for a long time. The supply of our bonds is sufficient to pay our foreign balances for a long time even though our imports should be excessive.

During the war foreigners would take only a very small amount of our bonds. At about 75 a 80 the Germans deemed them an object of purchase, but when they fell to 35 a 40 they thought the sacrifice greater than we could possibly afford, and that, with the immense expenditure to be provided for at this rate, national bankruptcy was inevitable. They reasoned as any prudent banker would do in regard to notes freely offered in open market in any quantity at 35a40 cents on the dollar and payable in gold at maturity. In England and France other causes also tended to exclude them.

Our bonds then were not available abroad and individual credit was also there at a low ebb, with a very general unwillingness on the part of those having any, to use it. We were then compelled to restrict our consumption of foreign merchandise to what our current spare labor would pay for. The case is now altered. These bonds have now become available abroad, and though still at a price much below par are being used to pay for our imports.

The danger now is that those holding them, forgetting the corresponding debt which they owe, will deem themselves able to increase their style of living in proportion to their means in hand, and thus the amount now due among ourselves become a foreign indebtedness and an annual tax upon our productive energies to the amount of the interest upon it and eventually of the principal also, and hence our danger of being impoverished is perhaps greater now than at any period during the war. One to whom nobody will give credit is in little danger of involving himself in debt.

It seems now exceedingly probable that our national consumption requires a large transfer of our bonds to pay foreign producers. Our imports are large compared with the exports of our products, and yet gold and exchange are low compared with the prices of other things.

The existence of the national debt, then, in a form available for foreign payments, may thus become the ready and seductive means of our impoverishment. If we must, or rather will sell, these bonds abroad it is perhaps still desirable to get as much as possible in return for them, for though a large part of the price may be received in that which is of little or no intrinsic value, which merely panders to a false taste or ignoble pride; some portion may directly or indirectly add to our substantial wealth.

Our experience so far indicates that the market value of our national securities, including gold bearing bonds, varies with that of our currency, and that as the latter rises and approximates to par in gold the former approaches the same standard. Hence, with the appreciation of our currency we obtain more for the bonds sold. The reasons for this, I think, are complex, but it is sufficient for my present purpose to note that the foreign credit of the Government is an important element. This is shown by the fact that the State of Mass. which, acting with the enlarged practical

wisdom and business ability characteristic of her superior intelligence has never failed most punctiliously to fulfil her engagements to her creditors, has effected a foreign loan at the price of 97 in gold for bonds bearing only 5 per cent interest. While our Government bonds bear 6 per cent (also in gold) will command in the same market only 65 (equal to about 70 in American gold). And yet our *ability* is not now doubted at home or abroad. The bugbear of war with England or France no longer alarms capitalists. No one now seriously questions that our material resources are abundant; but there is still some apprehension engendered by the artifices of selfish unprincipled politicians seeking to gain a few venal votes to their faction, or to annoy the dominant party by agitating the question of repudiation. Thus far, however, the popular sentiment is most firmly and decidedly in favor of an honest fulfilment of all our obligations and taxation for the purpose, is most cheerfully submitted to.

Another ground for this apprehension is the possibility that the late rebel States will be permitted again to exert a political influence which with the feelings still manifested, they may insidiously use to destroy the national credit, and thus subvert the power which in openly assailing, they encountered such disastrous and mortifying defeat. It is quite possible that treason may next assert itself in this way, and with the mean, and unworthy spirit of an assassin by this subtle poison seek to destroy the power it no longer dares to meet in open conflict. The danger of any successful attempt of this kind is perhaps already past. Independent of the direct interest in the public debt which, through the amounts of it held by the banks and savings institutions prevades the whole community, it has become most obvious that no nation can afford to repudiate. To do so, is to put itself in the power of any other nation, that is strong in its credit, however weak in all other respects. It is doubtful whether any nation of even very moderate intelligence ever did repudiate except as a sheer necessity, and with us there can be no such necessity. We cannot afford even to seriously discuss or harbor such a thought. The possibility of our committing such folly should be at once scouted as an insult to our intelligence, and an absurd negation of our admitted shrewedness, and still more as an imputation upon our honor. Nothing is more sensitive than credit. The breath of suspicion too slight to tinge a youthful maiden's cheek will suffice to crimson it in confusion. This is especially the case with the credit of sovereign States, whose debts are of necessity debts of honor —no superior power to compel them to comply with their contracts—I repeat that all propositions involving or tending to bad faith, whether by denial or neglect of payment of what is due or by payment in depreciated value, (coin or paper) or by special taxation of debt, or otherwise, should at once be scouted, the mere entertaining of them being a stain upon our national honor, and destructive of our ability to contend with foreign foes, or to preserve our institutions and maintain domestic order and tranquility. It were better for us that all our forts and magazines, with all our munitions of war should be blown up, and every ship in our navy sunk, than that we should trifle with and impair our national credit. With the elastic energies of our people unrepressed, and their patriotic pride and spirit unbroken and undebased, we would soon repair such material damage, while centuries might not suffice to restore to us the untarnished honor which demagogues and traitors would so ruthlessly and foully desecrate.

MISSOURI AND ITS MINERALS.

BY S. WATERHAUS, OF ST. LOUIS, MO.

MISSOURI may safely challenge the world to produce its equal in the number, extent, and value of its minerals. The immensity of its mineral wealth subjects even a truthful exposition to a suspicion of exaggeration. The sober calculations of geology seem to be mere figures of rhetoric. The imperfect explorations which have been made have disclosed the superiority, but not the full magnitude, of the metallic resources of Missouri. Some of the vaults of nature's bank have been opened, but the treasure is too vast to be counted. The earth has hoarded in its coffers an unminted and incalculable wealth. The inventory of the mineral resources of Missouri enumerates springs whose waters are impregnated with salt, sulphur, iron, and petroleum, jasper, agate, chalcedony, vitrious sand, granite, marble, plastic and fire-clays, metallic paints, hydraulic cement, lithographic quick-lime, mill and grind-stone, fire-rock, kaolin, emory, plumbago, nickel, cobalt, zinc, copper, silver, gold, lead, coal, and iron. Most of these minerals occur in quantities that are literally inexhaustible. In case of many of these articles, the mines and quarries of Missouri could easily supply the markets of the world. If an incomplete geologic survey and the rude efforts of unscientific miners, who have as yet scarcely touched the vast deposits of the State, have disclosed such results, we may justly expect far richer developments when an exhaustive investigation has been made, and systematic mining been extensively prosecuted.

Of silver and gold, traces only have been discovered.

Cobalt and nickel exist in profusion.

Zinc is very abundant. Its masses have often retarded the mining of more valuable ores. Thousands of tons of this metal, thrown away by the lead miners, as a vexatious and worthless impediment to their progress, might be with a profitable cheapness reclaimed to the uses of commerce. The ore is very pure.

Copper has been found in 15 counties. At Hinch's Mine, 800 pounds of ore gave 272 pounds of good copper. At this locality the gangue is red clay, chert and magnesian limestone. At Rives's Mine the ore lies only 20 feet below the surface. The deposit is several feet thick, and contains a rich proportion of copper.

The Copper Hill Mine has yielded 100,000 pounds.

The ore from the Stanton Mines gives, according to two analyses, 48.41 per cent of pure copper. The ore is usually a sulphuret or carbonate.

But very little attention has been paid to the zinc and copper mines of Missouri. The larger profits of other kinds of mining have diverted public enterprise from a fair trial and full development of these ores. The success of the copper works at Frederickstown would justify more extended operations in this neglected branch of mining.

Lead has been discovered in more than 500 localities. Its purple veins run through 20 counties and intersect an area of more than 6,000 square miles. The richness of these mines is exhibited by the following statistics:

Total yield of Perry's mine to 1854.....lbs. of lead	12,000,000
Total yield of Valle's mine.	13,000,000
Total yield of Franklin's mine from 1824 to 1854.....	20,000,000

Yield of Shibboleth mine in 1811	3,000,000
Yield of Washington and St. Francois counties from 1841 to 1854.	50,000,000
Annual yield of Washington County	3,000,000
Total yield of Virginia mine	10,000,000
Yield of William's mine in nine months of 1854	145,000
Yield of Frazer's mine in one month	100,000
Yield of Frazer's in one week	50,000
Shipped from Selma alone from 1824 to 1854	70,000,000
Annual average of all mines from 1840 to 1854	4,000,000

At the mine of Price, Bray & Co., 2 000 pounds of galena have been taken from a shaft which is only 10 feet deep. The ore at Mineral Point is 18 inches thick.

The lead is mostly sulphuret. Out of 120 specimens of ore, 113 were sulphuret, 6 sulphuret and carbonate, and 1 sulphate.

From 60 to 85 per cent of the ore is pure lead. The gange is generally sulphate of baryta. The ore is often found in magnesian limestone or red clay interspersed with brown hematite, pyrites and ochre.

The mines which have been worked are mostly shallow.

The shaft of Williams's mine was from 25 to 75 feet deep.

The shaft of Shibboleth mine was from 16 to 60 feet deep.

The shaft of Price's mine was 10 feet deep.

At Granby, the lead comes to the very surface of the ground.

In November, 1865, Mr. Butler, the Superintendent of the St. Louis White Lead Factory, made a careful examination of Mine la Motte. His report to Mr. Banker, President of the Lead and Oil Company, embraces the following interesting facts: The ore, which is almost exclusively a sulphuret, contains from 60 to 66 per cent of pure lead. It is found in a limestone formation, at a depth of from 22 to 30 feet below the surface. The earth which overlies the limestone varies from 6 to 12 feet in depth. Horizontal sheets of almost pure galena, varying from 1 to 12 inches in thickness, cover the beds of mineral; beneath them lies a less productive sulphuret, which extends downward from 4 to 6 feet. The mean thickness is 8 inches. The weight of a square foot of lead one inch thick is 40 pounds; the weight of a square foot of lead, eight inches thick, is 320 pounds.

Sometimes a single drill yields 100 of these nearly cubic feet in a month. But an average of 50 feet gives, as the product of one drill, 615 pounds a day, or 16,000 pounds a month. The daily expense of each drill is $7 50. Each furnace smelts from 40 to 80 pigs of lead a day. An average product of 50 pigs, or 3,700 pounds, requires the reduction of 6,166 pounds of ore. The cost of smelting is $37 a day.

Ten drills are necessary to keep one furnace in blast.

We are now ready for a summary of results:

3,700 lb. lead at $5 71½, the average price in this market for the five years previous to 1861		$211 51
Deduct freight to St. Louis, ¼c. per lb	$18 50	
Deduct commission for selling, 1 per cent on $211 51	2 11	
Deduct cost of mining, ten drills at $7 50 each	75 00	
Deduct cost of smelting	37 00—	132 61
Profit of one furnace per day		$78 90
do do per month		2,051 40
do do per year		24,616 80

At this rate 100 drills, a number not exceeding the capacity of a large company, would yield an annual revenue of $369,252.

During the first year large operations would involve a heavy outlay for shafts, drainage and machinery. But the cost of repairs and improvements could hardly exceed 30 per cent of the year's earnings.

The preceding estimates are based upon present facts, and not upon theoretical possibilities. They are founded upon the practical results of recent mining. An enlargement of present operations and a more extended use of existing facilities are all that is necessary to secure the success which the foregoing figures indicate.

Doubtless a treatment by the economic methods of science would give a measurably higher per centage of profit.

Perfectly pure galena contains 13.34 per cent of sulphur and 86.66 per cent of lead.

An uncrystalized specimen from Mine la Motte, analyzed by Dr. Litton, gave, together with traces of iron, copper and nickel, 13,50 per cent of sulphur and 84.50 per cent of lead.

Under our present wasteful processes the sulphurets of Mine la Motte sometimes yield 77.7 per cent of pure lead.

I except the slave labor of three proprietors, and scarcely 200 men have been ever at one time employed in the mines of Missouri. The operations have commonly been desultory and the methods unscientific. Miners have chiefly sought superficial deposits in soft clay, where the ore could easily be reached with the spade. Mining, by the systematic process which science teaches, will provably develop far richer deposits than any yet found.

Coal underlies a large portion of Missouri. It has already been discovered in thirty counties. Beds of cannel coal, 45 feet thick, have been found. There are 160 square miles of coal in St. Louis County. The amount of coal in Cooper County has been estimated at 60,000,000 tuns. Under every acre of Boone County there is supposed to be at least $1,000 worth of coal. The deposits in the vicinity of Booneville cover an area of 2,000 square miles. The strata have a mean thickness of three feet, and are calculated to contain 60,000,000 tuns of coal.

The following estimates are based upon the survey of Professor Swallow:

Counties.	Square miles.	Mean thickness.	Tuns of Coal.
Audrew, Atchison, Buchanan, Holt, Platte,	2,000	10 feet,	20,000,000,000
		if only 2 feet,	4,000,000,000
Charlton, Linn, Livingston, Macon,	1,500	12 feet,	18,000,000,000
		if only 4 feet,	6 0,000,000
State of Missouri,		8 feet thick,	200,000,000,000
		if only 4 feet,	100,000,000,000

Upon this lowest estimate—which is more than 34,400,000,000 tuns below the calculation of Professor Swallow—it would take, at 100,000 tuns a day, more than 3,000 years, of 300 working days each, to exhaust the coal deposits of Missouri.

Iron abounds in different portions of Missouri, but the stupendous masses of almost solid iron, found in St. Francois, Iron and Reynolds Counties, dwarf the discoveries of other localities into significance. Before the blomaries of Ironton, the furnaces in other sections of the State must pale their ineffectual fires. The results of Dr. Litton's investigations

have been often published, but perhaps the use for which this article is designed will justify their reproduction.

Shepherd Mountain is 660 feet high. The ore, which is magnetic and specular, contains a large percentage of pure iron. The hight of Pilot Knob above the Mississippi River is 1,118 feet. Its base, 581 feet from the summit, is 360 miles. The iron is known to extend 440 feet below the surface. The upper section of 141 feet is judged to contain 14,000,000 tuns of ore.

The elevation of Iron Mountain is 228 feet, and the area of its base 500 acres. The solid contents of the cone are 230,000,000 tuns. It is thought that every foot beneath the surface will yield 3,000,000 tuns of ore. At the depth of 180 feet, an artesian auger is still penetrating solid ore.

Dr. Litton thinks that these mountains contain enough iron above the surface to afford for 200 years an annual supply of 1,000,000 tuns.

The ore is almost exclusively specular.

It yields 56 per cent of pure iron.

The iron is strong, tough and fibrous.

Most of these statistics of the mineral resources of Missouri are taken—though sometimes with reductions—from the calculations of Professors Swallow and Litton, their estimates of the amount of lead, coal, and iron in the State are founded upon elaborate researches. Their deductions are based upon geologic investigations and chemical analyses. The well-considered judgments of men of scientific eminence are certainly entitled to audience and respect. But suppose these learned geologists are mistaken in their statements—take one-hundredth part of their aggregates and you still have proofs of vast and exhaustless mineral riches. The fictions of Arabian wealth hardly equal the reality of Missouri's treasures.

These ores underlie some of the richest land in the State. The owner possesses at once a fertile farm and a valuable mine. In some cases it is difficult to determine whether the agricultural or mineral resources are most productive. Full coffers are the result of either industry. A poor man can earn enough in a few months to purchase a mineral farm under prescribed conditions; less than $20 will secure a homestead of 160 acres. The workman who, with a full knowledge of the facts, would prefer delving for a mere pittance in the mines of Europe to the independent ownership of a mine in Missouri, must be a miner who has not yet reached the years of discretion. He must be too young to have a mine of his own. It is to be hoped that the majority of foreigners have more wisdom.

No State can offer the miner better openings for business. The inducements which Missouri presents to him are great and substantial. Liberal wages will reward his service and enable him to satisfy his love of independence and home by the early acquisition of a freehold. Political equality, social respect, and material success await the myriads whom a knowledge of our mineral resources will soon make citizens of Missouri.

PRODUCTION AND CONSUMPTION OF COAL.

The following valuable statistics on this important topic have been furnished by W. H. Roberts, Esq., of the Statistical Bureau, United States Treasury Department, and lately appeared in the *Philadelphia Ledger*. They have been compiled from official data found in the archives of the Department:

PRODUCTION OF COAL.

The production of coal in the year 1863, in the United States and Europe, reached a sum total of 150,000,000 tons, distributed as follows among the respective coal producing countries:

	Tons Coal Produced.		Tons Coal Produced.
Great Britain	86,00,0000	Prussia	10,000,000
Belgium	10,000,000	Russia	10,000,000
France	10,000,000	Other European countries	4,000,000
Austria	4,500,000	United States	15,500,000
Total			150,000,000

CONSUMPTION OF COAL.

The consumption of coal in the same countries in the year 1863 was as follows:

	Tons of Coal Consumed.		Tons of Coal Consumed.
Great Britain	78,000,000	Prussia	10,000,000
Belgium	7,0 0,000	Russia	11,000 000
France	16,000,000	Other European countries	5,000,000
Austria	4,500,000	United States	15,500,000
Total			147,000,000

Note.—The difference between the totals of production and consumption in Europe and the United States is owing to an export of 3,000,000 tons from Great Britain to South America and Asia.

CONSUMPTION OF COAL AS A MEASURE OF STEAM LABOR POWER INDUSTRY.

The quantity of coal consumed by a nation may be well taken as a correct measure of the extent of those industries which employ steam labor power. Great Britain, "the workshop," not only produces but consumes a larger quantity of coal than the rest of the world combined. Her miners in 1863 produced 86,000,000 tons of coal; 78,000,000 tons to supply her own necessities, and 8,000,000 tons for export to her commercial dependencies. In 1863 three of the great manufacturing countries of Europe, England, France and Belgium, compared in consumption of coal with each other, and the United States as follows:

	Tons Coal Consumed.		Tons Coal Consumed
Great Britain	78,000,000	Belgium	7,000,000
France	16,000,000	United States	15,500,000

The production of coal in these four countries stood in 1863:

	Tons Coal Produced.		Tons Coal Produced.
Great Britain	86,000,000	Belgium	10,000,000
France	10,000,000	United States	15,500,000

These data exhibit that Great Britain and Belgium, by a full development of their means of sustaining manufacturing industry, supply not only

their own wants; but also those of their neighbors—Great Britain exporting 8,000,000 tons, and Belgium 3,000,000 tons; that France, poor in coal, depends upon her more fortunate neighbors for the prosperity of her manufactures; that the United States, with a far larger coal area than France, consumes but the same quantity of coal; that the consumption of coal is as five to one in Great Britain and the United States respectively; that the steam labor power industry of Great Britain is, in its present development at least, in the ratio of 2 to 1 to the combined steam power industries of Belgium, France and the United States; that taking into consideration the relative areas of the counties compared, their order in extent of steam power industry, as measured by their consumption of coal, would be—first, Great Britain; second, Belgium: third, France, and fourth, United States. An examination of the British statements of exports, foreign and domestic, during the year 1864, and a comparison between them and the exports of the United States for the same year, fully supports the assumption that consumption of coal is a measure of steam labor industry. In the calendar year 1864, the value of articles exported from Great Britain, exclusive of specie, amounted to $1,030,080,000, $779,000,000 of which were the products of the United Kingdom, and classified as follows:

Breadstuffs, provisions and raw materials*	$78,000,000
Manufacturers	701,000,000
Total	$779,000,000

The exports of the United States for the fiscal year 1864, exclusive of specie, amounted to $232,000,000, $217,000,000 of which sum was the value of articles the produce of the United States, and classified as follows:

Breadstuffs, provisions and raw materials	$162,000,000
Manufacturers	55,000,000
Total	$217,000,000

The report of domestic manufactures from the two countries respectively, was, as we see, in 1864:

Great Britain	$701,000,000
United States	55,000,000

The consumption of coal stood thus in 1864:

Great Britain	80,000,000 tons.
United States	16,800,000 tons.

Supposing that five-eighths the coal consumed in Great Britain was employed in steam labor industry, viz.: 50,000,000 tons, the quantity of coal consumed in steam labor industry in the United States measured by the relative ratio of values of manufactures exported, would be but 4,000,000 tons.

AREA OF COAL FIELDS.

Coal fields are found in almost every portion of the globe, but it is only in Europe and the United States that any approximate measurement of

*Of these, coals, pig iron, (unwrought), leather, steel, copper and tin, and salt, amount in value to $57,000,000.

their areas has been obtained. The area of the coal fields of Great Britain, France, Belgium, and the United States are estimated thus:

	Areas Square Miles.		Areas Square Miles.
Great Britain	11,859	Belgium	1.719
France	518	United States	146,859

The figures of this estimate exhibit the vast superiority of the United States over Great Britain, France and Belgium in the natural resources of steam labor power, and clearly point to the supremacy of the Republic at no distant period by steam labor industries. The coal fields of Great Britain, France and Belgium extend over an area of 14,096 square miles, those of the United States over 148,569 square miles, a ratio of ten to one.

PRODUCTION OF COAL IN THE UNITED STATES.

The production of coal in the United States is continually on the increase, as will appear from the following statement of the production of coal in the fiscal years 1863, 1864 and 1865, the quantities being calculated from the Internal Revenue report of the amount of tax upon production of coal. Tons of coal produced: 1863, 15,500,000; 1864, 16,300,000; 1865, 17,000,000.

In the year 1860 the production of coal was estimated by the Superintendent of the Census at 15,000,000 tons. The production in 1865 was 17,000,000 tons, an increase in five years of 2,000,000 tons. At this rate of increase our production in 1870 might be estimated at 20,000,000 tons. The development of manufactures, however, consequent on the adoption of a protective policy, will greatly increase the production of coal, and it will be no matter of wonder if in 1870 its production in the United States reaches a total of at least 25,000,000 tons.

COMMERCIAL LAW.—NO. 31.

FIRE INSURANCE.

(Continued from page 192, vol. 54.)

The usual Subject and Form of this Insurance.

We have seen that fire is one of the perils insured against by the common marine policies. It is usual, however, to insure buildings, and personal property which is not to be water-borne, against fire alone; and this is what is commonly understood by Fire Insurance.

The general purposes and principles of this kind of insurance are the same as those of marine insurance; and the law in respect to it differs only in those respects and in that degree in which the difference is made necessary by the subject-matter of the contract. Very many of the questions which occur under fire insurance may receive illustration from what has been already said upon similar topics and questions under marine insurance.

This kind of insurance is sometimes made to indemnify against the loss by fire of ships in port; more often of warehouses, and mercantile prop-

erty stored in them; or of personal chattels in stores or factories, in dwelling-houses or barns, as merchandise, furniture, books, and plate, or pictures, or live stock. But by far the most common application of this mode of insurance is to dwelling-houses.

Like marine insurance, it may be effected by any individual who is capable of making a legal contract. In fact, however, it is always, or nearly always, in this country, and we suppose elsewhere, made by companies.

There are stock companies, in which certain persons own the capital and take all the profits by way of dividends. Or mutual companies, in which every one who is insured becomes thereby a member, and the net profits, or a certain proportion of them, are divided among all the members in such manner as the charter or by-laws of the company may direct. Or both united, in which case there is a capital stock provided, as a permanent guaranty fund, over and above the premiums received, and a certain part or proportion of the net profits is paid by way of dividend upon this fund, and the residue divided among the insured.

Of late years the number of mutual fire insurance companies has greatly increased in this country, and probably by far the largest amount of insurance against fire is effected by them. The principal reason for this is, undoubtedly, their greater cheapness; the premiums required by them being, in general, very much less than in stock offices. For example, if the insurance is effected for seven years, which is a common period, an amount or percentage is charged, about the same as that charged by the stock companies, or a little more. Only a small part of this is taken in cash; for the rest a premium note or bond is given, promising to pay whatever part of the amount may be needed for losses which shall occur during the period for which the note is given. More than this, therefore, the insured cannot be bound to pay, and it frequently happens that no assessment whatever is demanded; and sometimes, where the company is well established and does a large business upon sound principles, a part of the money paid by him is refunded when the insurance expires, or credited to him on the renewal of the policy, if such be his wish.

The disadvantages of these mutual companies is, that the premiums paid and premium notes constitute the whole capital or fund out of which losses are to be paid for. To make this more secure, it is provided by the charter of some companies that they shall have a lien on the land itself on which any insured building stands, to the amount of the premium. But while this adds very much to the trustworthiness of the premium notes, and so to the availability of the capital, it is, with some persons, an objection that their land is thus subjected to a lien or encumbrance.

There is another point of difference which recommends the stock company rather than the mutual company. It is that the stock company will generally insure very nearly the full value of the property insured, while the mutual companies are generally restrained by their charters from insuring more than a certain moderate proportion, namely, from one-half to three-fourths of the assessed value of the property. It would follow, therefore, that one insured by a mutual company cannot be fully indemnified against loss by fire, and may not be quite so certain of getting the indemnity he bargains for as if he were insured by a stock company. But this last reason is, practically, of very little importance, and the lowness of the premiums effectually overcomes the other.

The method and operation of fire insurance have become quite uniform throughout the country; and any company may appeal to the usage of other companies to answer questions which have arisen under its own policy; only, however, within certain rules, and under some well-defined restrictions.

In the first place, usage may be resorted to for the purpose of explaining that which needs explanation, but never to contradict that which is clearly expressed in the contract. And no usage can be admitted even to explain a contract, unless the usage be so well established, and so well known, that it may reasonably be supposed that the parties entered into the contract with reference to it. Thus if, under a policy against fire on a vessel in one port of this country, an inquiry is raised as to the local usage, the policy is not to be effected by proof of usage upon any particular matter in other ports of the world, or even of the United States. And not only the terms of the contract must be duly regarded, but those of the charter or act of incorporation; thus, if this provides that "all policies and other instruments made and signed by the president, or other officer of the company, shall bind the company," an agreement to cancel a policy should be so signed; although it cannot be doubted that a party insured might otherwise give up his policy, or renounce all claim under it, and that a valid agreement to that effect between him and the company would not be set aside, and the company still held, on the ground of a merely formal defect.

In regard to the execution of a fire policy, and what is necessary to constitute such execution, we say that delivery is not strictly necessary, and a signed memorandum may be sufficient, or, indeed, an oral bargain only, and that this insurance may be effected by correspondence, and that the contract is completed when there is a proposition and assent, as we have already said in reference to marine insurance.

The leading case on this subject came by appeal before the Supreme Court of the United States. The facts were briefly as follows. John Minot, the agent of an insurance company at Fredericksburg, at the request of Tayloe, who was about leaving for Alabama, made application for an insurance on his dwelling-house to the amount of $8,000 for one year. This application was dated 25th November, 1844. A reply from the defendants was received, under the date 30th November, 1844. On the 2d of December Minot wrote to Tayloe, informing him of their willingness to effect the insurance, stating terms, &c., and added, "Should you desire to effect the insurance, send me your check, payable to my order, for $57, and the business is concluded." But, in consequence of a misdirection of the letter, it did not reach Tayloe till the 20th. On the next day, the 21st, Tayloe mailed a letter accepting the terms, and remitting a check for the premium, with a request that the policy should be deposited in the bank for safe-keeping. This letter of acceptance was received by Minot on the 31st of December, and upon the 31st of January, 1845, he wrote to Tayloe, communicating his refusal to carry into effect the insurance, on the ground that his acceptance came too late, the house having been burned on the 22d of December. The company confirmed the view of the case taken by their agent, and refused to issue the policy or pay the loss. The court below passed a decree in favor of the defendants; but upon appeal to the Supreme Court, it was held that the decree should be reversed, and the plaintiff recover.

It has been held in an action on a fire policy, as doubtless it would be on a marine policy, that a memorandum made on the application book of the company by the president, and signed by him, was not binding where the party to be insured wished the policy to be delayed until a different adjustment of the terms could be settled, and after some delay was notified by the company to call and settle the business, or the company would not be bound, and he did not call; because there was here no consummated agreement. So, too, a subsequent adoption or ratification is equivalent, either in a fire or marine policy, to the making originally of the contract; with this limitation, however, that no party can, by his adoption, secure to himself the benefit of a policy, if it had not been intended that his interest should be embraced within it. It is quite common to describe the insured in marine policies by general expressions,—as, "for whom it may concern," or "for owners," or the like; but such language is seldom if ever used in fire policies, the insured being nearly always specifically named in them. There are some exceptions in the case of consignees, mortgagees, &c., which will be mentioned in a subsequent section.

ANALYSES OF RAILROAD REPORTS. No. 7.

I. Pennsylvania Railroad.—II. Chicago and Alton Railroad.—III. Milwaukee & Prairie du Chien Railway.

PENNSYLVANIA RAILROAD.

The Pennsylvania Railroad, one of the four great lines from the seaboard to the interior, is composed of the following divisions:

Main Line—Harrisburg to Pittsburg	249	miles.
Philadelphia Division—Philadelphia to Columbia	80	"
Branch—Altoona to Hollidaysburg	7	"
" —Blairsville Junction to Indiana	19	"
Total owned by Company	355	"

The following are leased and operated by the company, viz.:

Harrisburg & Lancaster Railroad	86	miles.	
Columbia Branch	18	"	
East Brandywine & Waynesburg Railroad	17¾	"	
Tyrone & Clearfield Railroad	23¾	"	
Bald Eagle Valley Railroad	51¼	"	
Ebensburg & Cresson	10¾	"	
Huntington & Broad Top Railroad	31¼	"	
Bedford Branch	19¾	"	
Other Branches	19¼	"	
Western Pennsylvania	32	"	—259 miles.
Total owned and leased (not including Philadelphia & Erie Railroad)			614 miles.

The Company also lease and operate the Philadelphia & Erie Railroad extending from Sunbury to Erie—287.5 miles; but this road is operated independently and its accounts are kept separate. It was opened through, October 17, 1863.

The canals belonging to the Pennsylvania Railroad Company have a total length of 276 miles of which 44 miles are slackwater. They are of no present value, but rather an expense to the Company. Their accounts are kept separately.

The main line of the Pennsylvania Railroad (including the Philadelphia Division and the Harrisburg & Lancaster Railroad) is double

track throughout. These with the branches and leased roads, and their sidings, etc., have an equivalent single track of more than a *thousand* miles.

ROLLING STOCK.

The rolling stock owned by the Company, Jan. 1, 1865, was as follows:

Locomotive engines	321
Passenger Trains: passenger cars 120, baggage cars 34, express 34, and emigrant 37	225
Freight Trains: box cars 2,118, stock 999, goudola 1,525, and coal 600 (all 8-wheel), and coal (4-wheel) 109	5,381
Maintenance of Way Trains: box cars 15, and gondola cars 100 (8-wheel); dumping 111 hand 145, hand trucks 168, derrick trucks 7, and timber trucks 2 (4-wheel)	548
Total number of cars	6,154

GENERAL ACCOUNT.

The following statement shows the amount of stock, bonds and other liabilities of the Company, and *per contra* the cost of the property and value of other assets held by the company on the last day of each year 1856–65, both inclusive:

Close of year	Share capital.	Funded debt.	Accounts, bills, &c.	Cont'gent fund.	Profit & loss.	Total debit.
1856	$12,646,625	$8,516,841	$65,298	.....	$748,941	$21,977,705
1857	13,206,625	14,929,940	790,869	$371,546	979,272	30,278,252
1858	13,240,225	16,094,451	560,507	138,754	135,050	30,168,987
1859	13,249,125	16,922,517	45,350	406,874	732,966	31,356,832
1860	13,261,950	16,680,804	1,150,632	352,139	961,589	32,407,124
1861	13,264,100	16,936,764	1,143,592	885,641	2,004, 22	34,234,559
1862	13,274,100	16,696,764	329,172	885,641	3,628,536	35,324,213
1863	13,430,250	16,949,124	1,129,388	1,000,000	5,786,905	38,295,668
1864	19,860,060	16,829,124	2,393,961	1,000.000	3,428,691	43,520,336
1865	20 000,000	16.750,131	3.651,417	1,000,000	4,449,225	45,850,796

The increase of capital in 1864 was caused by a stock dividend of 30 per cent in that year. Against the above are chargeable as follows, viz.:

	Construction account						
Close of year.	Cost of main r ad, &c.	Canals & Phila. div. of R. R.	Engines and cars.	R'l estate and telegraph.	Exten's of road.	Stocks and bonds.	Other assets, bal's. &c.
1856	$15,320,309	.....	$2,377 819	$1,350,790	.....	$1,637,3 2	$1,281,485
1857	15,748,421	7,500,000	2.589,293	1,426,571	$2,696	1,809,002	1,202,269
1858	15,853,950	7,500,000	2,828,529	1,585,645	4,548	866,803	1,529,513
1859	16,315,339	7,500,009	2.974,473	1.684,295	5,214	862,763	2,009,748
1860	16,718,483	7,500,000	3,065,284	1,846.844	35,881	974,545	2,226,137
1861	16,925,026	7,500,000	3.447,522	1,838,336	277,794	1,421,981	2,823,9.0
1862	16,840,272	7,000,000	3,582,204	1,937,105	528,970	1,660,183	3,786,479
1863	16,784,248	6,900,000	3,543,484	2,568,902	791,664	2,979,438	4,723,932
1864	16,752,151	6,800,000	3,385,315	2,814,971	1,272,454	5,957,811	6,537,634
1865	16,745,091	6,700,000	3,375,024	3,066,466	1,922,752	6,243,894	7,797,,69

The following are the details of the "construction account," as stated in the general account for the year ending Dec. 31, 1865:

Cost of road and appurtenances from Harrisburg to Pittsburg & stations, and warehouses on the Philadelphia division		$17,334,276
Less profits of road, after paying interest to stockholders up to November 1, 1865, credited to cost of construction, as required by charter		589,185
Total		$16,745,091
Amount paid State of Pennsylvania for Philadelphia and Columbia Railroad	$6,500,000	
And for canals and Portage Railroad	1,000,000	
	$7,500,000	
Less payments made of debt to State for purchase of main line, and charged to profit and loss	$800,000	
		6,700,000
Equipment of road, consisting of locomotives, passenger and freight cars, &c.		$3,375,024
Cost of real estate		3,021,202
Cost of telegraph line		45,264
Extension of Pennsylvania Railroad to Steubensville and Pittsburg R. R		1,153,256
Extension of Pennsylvania Railroad to Delaware River and Gas Works, including wharves and grain-elevator		769,496
Total cost of Company's roads, canals, &c.		$31,800,333

The "stocks and bonds" held by the company represent the amount of aid they have extended to connecting roads. The following is the descriptive list of those on hand Dec. 31, 1865:

Pittsburg and Steubenville R.R. 2d mort. bonds	$438,538
Philadelphia and Erie R.R. sterling bonds, £106,600	597,420
" " 7 per cent bonds	1,312,000
Steubenville and Indiana R.R. stock (8,939 shares)	130,696
" " 6 per cent bonds (484 bonds)	440,651
" " 7 per cent bonds (537 bonds)	537,000
Other stocks and bonds of municipal and railroad corporations	2,650,549
Total stocks and bonds	$6,243,894

The "other assets, balances, etc.," on the credit side of the ledger, and which are aggregated into the last column of the above tables, are given in detail for Dec. 31, 1865, as follows:

Bills and accounts receivable		$2,441,715
Due from other roads		81,498
Debit of sinking fund		1,840,918
Fuel and materials on hand for shops, repairs to locomotives and cars, and maintenance of way		1,462,555
Advances to purchase materials and fuel to construct and operate Philadelphia and Erie Railroad		926,713
Balance in hands of agents	$530,334	
Balance in hands of treasurer	513,846	
		1,044,280
Total floating assets		$7,797,569

The above accounts recapitulate as follows:

Cost of roads, canals and appurtenances	$31,809,373
Stocks and bonds held by company	6,243,894
Floating assets	7,797,569
Total Dec. 31, 1865	$45,850,796

The other side of the account stood at the same date as follows:

Capital stock		$20,000,000
Bonds		16,584,840
Mortgages and ground rents on real estate		165,280
Accounts payable	$3,034,918	
Bills payable	577,130	
Dividends uncalled for	49,399	
		3,651,447
Contingent fund		1,000,000
Balance of income		4,449,225
Total		$45,850,796

The bonds as above are described as follows:

6 per cents, 1st mortgage bonds, due 1881		$4,980,000
6 " 2d " due 1875		2,621,000
6 " " " (sterling) 1875		2,283,840
5 " bonds to State	$7,500,000	
Less paid eight annual instalments	800,000	
		6,700,000

BUSINESS OF THE ROAD.

The number of passengers and tons of freight carried over the Pennsylvania Railroad and branches yearly for the ten years ending December 31, 1865, are shown in the following statement:

Fiscal Year.	Passengers— Number.	Mileage.	Freight, tons— Coal.	General.	Tot'l tons.	Mileage.
1856	828,446	42,147,582	190,344	263,648	458,992	119,896,500
1857	884,024	54,408,241	258,013	272,407	530,420	131,569,269
1858	684,348	45,934,952	340,588	245,729	586,267	148,620,758
1859	721,301	50,649,482	321,625	332,729	754,354	170,253,083
1860	1,303,444	55,100,696	523,228	823,302	1,346,525	267,981,314
1861	1,059,088	61,638,921	704,754	915,832	1,620,586	291,756,510
1862	1,143,418	82,897,805	835,146	1,223,402	2,058,548	351,092,301
1863	1,607,896	102,732,155	903,199	1,362,214	2,265,413	393,746,258
1864	2,587,514	146,873,005	1,080,779	1,678,097	2,761,876	20,627,222
1865	2,961,836	201,621,274	1,074,757	1,724,053	2,798,810	431,872,309

REVENUE ACCOUNTS.

The sources and amounts of gross earnings on the Pennsylvania Railroad and the branch roads operated by the Company, (but not including the Philadelphia and Erie Railroad) yearly for the ten years ending December, 1865, are shown in the following statement:

Years.	Passenger.	U. S. Troops.	Mails.	Expenses.	Freight.	Other.	Total.
1856	$1,198,927	$	$	$	$3,244,291	$276,906	$4,720,124
1857	1,244,858	.....	64,544	63,961	3,374,041	108,268	4,855,670
1858	1,372,237	.....	74,489	75,120	3,536,206	127,278	5,185,330
1859	1,420,912	.....	74,433	75,120	3,656,111	135,726	5,362,355
1860	1,453,903	.....	74,504	75,120	4,191,784	137,300	5,932,701
1861	1,406,018	145,158	74,399	75,120	5,388,026	211,280	7,300,001
1862	1,731,393	379,393	74,773	146,852	7,668,420	303,460	10,304,290
1863	2,275,537	514,693	75,598	263,129	8,602,263	160,194	11 891,113
1864	3 334,895	511,774	76,830	345,411	10,361,999	1:8,148	14,759,057
1865	4,174,193	1,278,845	80,130	483,724	11,193,565	248,712	17,459,169

The following shows the total earnings, expenses, and profits from operations for the same years:

Fiscal Years.	Total Earnings.	Operating Expenses			Revenue or Profits.
		Ordinary.	Extraord'y.	Total.	
1856	$4,720,124	$2,814,568	$	$2,814 568	$1,905,626
1857	4,855,670	3,000,743	.....	3,000,743	1,854,927
1858	5,185,330	3,021,885	.....	3,021,885	2,163,445
1859	5,362,355	3,130,738	.....	3,130,738	2,231,617
1860	5,932,701	3,636,299	.....	3,636,299	2,296,402
1861	7,300,001	3,653,062	.....	3,653.062	3,646,938
1862	10,304,290	4,209,296	1,221,778	5.431.074	4,873,218
1863	11,891,413	5,132,197	1,647,803	6,780.000	5,111,413
1864	14,759,057	8,225,660	2,468,284	10,693,944	4,065,113
1865	12,459,169	10,881,980	2,388,128	13,270,058	4,189,111

The extraordinary expenses (not distinguished before 1862) have been made chiefly for the erection and extension of stations, additional second track and sidings, tools and shop machinery, locomotives, cars, &c., a large part of which does not properly belong to the Pennsylvania Railroad but to the leased lines.

Annexed are the gross earnings and expenditures of the Pennsylvania Railroad and branches, the canals owned by the Company and the Philadelphia and Erie Railroad operated under lease:

Fiscal Year.	Gross Earnings			Expenses		
	Penn RR.	Canals.	P & E RR.	Penn RR.	Canals.	P & E RR.
1856	$4.720,124	$	$	$2.814.568	$	$
1857	4,655,670	92,433	.....	3.000,743	73,190	.....
1858	5,185,330	179,000	.....	3.021,885	124,058	.....
1859	5,362,355	197,519	.....	3,130.738	175.452	.....
1860	5,932,701	209,366	.....	3,636.299	154,761	.....
1861	7,300,001	176,109	.....	3,653.062	147,873	.....
1862	10.304,290	251,482	495,688	5.431.074	258,092	349,344
1863	11,891,413	287,156	727,670	6,780.000	362,374	554,897
1864	14,759,057	308,615	1,131.148	10,693,944	310.555	1,174,303
1865	17,459,169	181,015	2,074,141	13,270,058	279,843	2,344,769

The gross earnings and expenses of all the above works conjointly, with the resulting profit to the Pennsylvania Railroad Company are shown in the following statement:

Year.	Gross Earnings.	Expenses.	Profits.
1856	$4.720,124	$2,814,568	$1,905,626
1857	4,948,103	3,073,933	1,846,170
1858	5,364,490	3,145,943	2,218,487
1859	5,559,904	3,306,190	2,253,714
1860	6,142,067	3,791,060	2,351,007
1861	7,476,110	3,800.934	3,675,176
1862	10,981,460	6,038,510	4,942,950
1863	12,906,289	7,697,971	5,208,968
1864	16,198,820	12,183,707	4,020,018
1865	19,714,325	15,894,671	3,819,654

During construction and up to May, 1862, the stockholders, from the day of the payment of each instalment of capital received six per cent. interest, free of taxes, upon their investment, from the net revenues of the road. Since May, 1862, the regular dividends have been ten per cent. and extra dividends have averaged over eight per cent. per annum, and beyond this there remains, at the end of 1865, to the credit of income on the Company's books the large undivided sum of $4,449,225, invested with other companies.

The dividends paid since May, 1862, have been as follows:

November, 1862	4	November, 1864	5
May, 1863	4	May, 1865	5
November, 1863	5	November, 1865	
May, 1864	5		

And in May, 1864, a stock dividend of 30 per cent.

DEDUCTIONS.

The following gives the cost of the road per mile, and the gross earnings, expenses, (ordinary and extraordinary) and profits per mile; also the ratio of expenses to gross earnings, and the ratio of profits to the cost of the road, yearly for the last ten years:

	Cost of road per mile.	Gross earnings per mile.	Total Expen's per mile.	Profits earned per mile.	Expen's to gross earnings.	Profits to cost of road
1856	$71,830	$13,296	$7,928	$5,368	59.63	7 47
1857	73 990	13,678	8,453	5,225	61.80	7.06
1858	75,400	14,607	8,512	6,095	58.80	8.08
1859	77,400	15,105	8,819	6,286	58.40	8.12
1860	79,340	16,712	10,243	6,469	61 33	8 40
1861	81,660	20,563	10,290	10,273	50.05	12.56
1862	82,780	29.026	15,300	13,726	52.70	16.59
1863	85,070	33.6 7	19,099	14,538	56.82	17.09
1864	86,500	41,575	30.121	11,454	72.44	13 24
1865	88,970	49,131	37,330	11,801	76.00	13.26

PRICES OF STOCK AT PHILADELPHIA.

The price at which the company's stock ($50 per share) has sold at Philadelphia on the first Thursday of each month for the years 1863, '64 and '65, is shown in the following statement:

	1863.	1864.	1865.
January	60¼@60¼	69¼@69¾	64¼@65
February	68¼@69	75¼@76	61¾@62
March	67 @67¼	70¾@71	56 @57
April	66¼@66¾	79 @79¼	53¾@54
May	64¾@65	70 @70¼	56¼@56¾
June	67¼@67½	71 @72	55 @55¼
July	60½@61	73 @73½	55¼@56
August	64¼@64½	73¼@73½	57½@57¾
September	65 @65¼	74½@75½	57¾@58
October	69¼@69¾	69¾@69¾	60¼@61
November	72 @72½	69¼@69¼	57½@57¾
December	69¾@70	67¼@67½	56¼@56¾
Year	60¼@72½	57¼@79	53¾@66½

The Pennsylvania Railroad Company was chartered by an act of the Legislature, approved April 13, 1846, and authorized to construct a railroad from Harrisburg to Pittsburg, and branches to Erie, Blairsville, Uniontown, and to any parts of the counties through which the main line might pass. The capital authorized to be raised was $10,000,000, with authority given by subsequent acts to increase it to $20,000,000, and in consideration of the privileges granted, and for the protection of the then public works, the company were to pay to the State three mills for every ton of freight carried one mile. The State also reserved to itself the right

to purchase the road at the expiration of twenty years at cost, with eight per cent interest thereon, deducting the profits of the company, but if this right should not be exercised, then the company to continue possession for a further period of twenty years, and so on from twenty years to twenty years.

The work of construction was commenced in July, 1847, and was conducted without any long intervals of cessation to its completion in December, 1852. The first section of 61 miles of the road, viz, from Harrisburg to Lewisburg was opened September 1, 1849; thence to McNeystown, 72 miles, December 24, 1849; thence to Shaeffers, 85 miles, April 1, 1850; thence to Huntingdon, 96 miles, June 10, 1850; thence to Hollidaysburg, 137 miles, September 16, 1850. At the last named place it made a connection with the Alleghany Portage Railroad, a State work, and at that time used for the transportation of boats over the mountains from one to the other division of the State Canal. On the Western Division of the line the road was completed from Johnstown (where the State Railroad ended) to Lockport, 18 miles, August 25, 1851; thence to Beatty's, 39 miles, December 10, 1851; thence to Turtle Creek, 65 miles, December 10, 1852, where it met the Pittsburg section of 13 miles, which had been in operation since December, 1851. The mountain division of the road between Altoona and the Portage Viaduct, 39 miles, was completed February 15, 1854, and the Indiana Branch from Blairsville to Indiana, 16½ miles, was completed June 9, 1856. In 1854 was commenced the laying of a second track, which has only recently been completed.

The policy of the company beyond the immediate construction of the road, has ever been the fostering of its western connections and lateral feeders. To this end the company obtained the passage of an act (March 23, 1853,) authorizing them to subscribe to the capital, or guarantee the bonds of other companies to the extent of 15 per cent of their own paid up capital. Under this authority, the company exchanged stocks with the Marietta and Cincinnati Company to the amount of $650,000; with the Maysville and Big Sandy Company to the amount of $100,000; with the Springfield, Mt. Vernon, and Pittsburg Company to the amount of $100,000; and with the Ohio and Indiana and the Ohio and Pennsylvania companies to the amount of $600,000, (subsequently increased by dividends to $816,500.) In 1858 the accounts against the three first named companies were closed in the debts charged off as worthless. The loans to the last named company were financially successful, and resulted in a direct profit to the Pennsylvania Company. The liberal policy pursued by the company, however, has not been altogether thrown away, and if not directly, these loans will indirectly pay themselves through the vast development they have given to the great West, on which the Pennsylvania Company naturally depend for traffic and income.

Up to August, 1857, the company had run their cars into Philadelphia over the Columbia Railroad (a State work,) under contract with the Commissioners of Public Works. On the first of that month, in pursuance of an act passed by the Legislature, and a vote of the stockholders at a special meeting held July 13, this road, and also the main line of the State canals and Portage Railroad were purchased by the company. The price paid for the whole was $7,500,000, for which the company issued to the State their bonds bearing five per cent interest, and made payable in

annual instalments of $100,000 until July 31, 1890, and after that date in instalments of $1,000,000 a year until the whole should be paid. These are now operated by the company, with the exception of the Portage road, which has been abandoned. By the terms of the contract of sale the State relinquished its right to purchase the road as provided in the original charter.

In 1858 the bridge over the Alleghany River was completed, and a junction made with the Pittsburg, Fort Wayne, and Chicago Railroad.

In 1864–65, connection was made by a tunnel with the Pittsburg and Stubenville Railroad, which work had been aided materially by this company, and, at the same time, among other improvements, the road had been extended to the Delaware River below Philadelphia. Large sums have also been recently expended in completing a number of lateral roads, which, for want of funds, had been languishing for years. Among these are the Bald Eagle Valley Railroad, the Tyrone and Clearfield, the Western and the other roads named in a former section, all of which are leased to and under the control of the company.

Intermediate between the Pennsylvania Railroad proper, and the Philadelphia (late Columbia) to division of the line, or between Harrisburg and Dillerville, lies the Harrisburg and Lancaster Railroad, 36 miles, with a branch from Middletown to Columbia, 18 miles. The main line of this road has always formed a link in the Philadelphia and Pittsburg line, and was leased in April, 1849, to the Pennsylvania Company for twenty years, the latter to pay certain rates per passage and per ton of freight, the amount to be determined every second year by arbitrators. This contract, however, was radically changed by an agreement entered into between the two companies in 1862, under which the Pennsylvania Company took absolute possession of the road in consideration of paying 7 per cent on the share capital, and 6 per cent on the bonds used in its construction. The right of future purchase has also been agreed upon, and with this in view, the stocks of the companies have been largely exchanged.

In 1862 the Pennsylvania Company took a lease of the Philadelphia and Erie Railroad, and completed it last year. As it is our intention to treat of this line in a special article, we postpone further reference to its affairs. That it will ultimately become the property of the Pennsylvania Company is not to be doubted.

Thus, in a period of less than fifteen years, have we seen the origin and progress of one of the vastest enterprises of modern times. At first but a link in the great chain of communication between the East and West, it has expanded to the magnificent work we behold at the present day, embracing, besides a main line of 355 miles, a large number of lateral and extension lines, and an independent line to the great lakes. Not a year has passed without some material progress; while, unlike most others of the great lines of the country, it has suffered little from financial troubles. The liberality of its owners in fostering connecting works has been a prosperous policy, for, though there has been some loss in this connection, the rapid development of the interior on account of the aid rendered by the company has fully made up the outlay sacrificed. Without this road, Philadelphia must have sunk into comparative insignificance, and it may be said with truth that the present and future of that great city depend for continued prosperity on the preservation of this line of communication with the progressive regions to the west of the State it traverses.

CHICAGO AND ALTON RAILROAD.

The railroad line, of which the Chicago & Alton Railroad forms the greater length, extends in a very direct line between the cities of Chicago & St. Louis, and is composed as follows:

Chicago & Alton Railroad—Joliet to Alton	....	220 miles.
Leased: Alton & St. Louis Railroad	23 miles.	
" Joliet & Chicago Railroad	37 "	60 "
Total length of line operated		280 miles

Previous to the completion of the Alton & St. Louis Railroad, Jan. 1, 1865, the company's cars were passed over the St. Louis Branch of the St. Louis, Alton & Terre Haute Railroad. The new line from Alton to East St. Louis is mainly owned by the Chicago & Alton Railroad Company, which holds 6,377 out of a total of 8,000 shares, representing its capital. The Joliet & Chicago Railroad is held under a perpetual lease (with an option of purchase), for which the company pays 8 per cent on $500,000 bonds and 7 per cent on $1,500,000 stock, which represent the cost of the road. The cost of the whole line as represented by stocks and bonds is now as follows:

Chicago & Alton Railroad, stock	$4,208,600
" " " bonds	4,019,000
Joliet & Chicago Railroad, stocks	1,500,000
" " " bonds	500,000
Alton & St. Louis, Railroad, stock	800,000
Total cost of 280 miles of road	$11,027,600

or about $39,670 per mile of road.

The Chicago & Alton Railroad Company are successors to the St. Louis, Alton & Chicago Railroad Company, and commenced operations on the 16th October, 1862. The statements which follow cover the period from that date to December 31, 1865, being three years and two and a half months.

LOCOMOTIVE AND CAR STOCK.

The rolling stock owned by the company at the end of the years 1862 to 1865 was as follows:

	1862.	1863.	1864.	1865.
Passenger engines	8	9	10	12
Freight "	20	16	18	26
Construction, switching and wood engines	7	8	13	20
Engines under repairs	6	12	8	8
" unfit for service	17	14	..	..
Total engines	58	59	49	66

The cars owned at the same periods were as follows:

	1862.	1863.	1864.	1865.
Passenger train cars	38	38	42	44
Freight cars—house	502	516	579	671
" " —stock	56	106	138	138
" " —platform	154	216	213	277
Total cars	750	878	972	1,130

OPERATIONS ON THE ROAD.

The mileage made by locomotive engines for each year 1863, '64 and '65, was as follows:

	1863.	1864.	1865.
On passenger trains	....	363,050	400,616
On freight trains	....	568,031	696,522
On wood trains	....	21,302	33,336
On construction trains	....	41,217	111,771
On switching	....	110,507	208,035
Total miles run	1,002,440	1,104,197	1,450,280

The number of passengers carried in the same years was—

	1863.	1864.	1865.
Local way	260,022	367,981	487,610
Way exchanged with o her roads	21,575	24,801	26,948
Local through	17,022	19,929	27,367
Through exchanged with other roads	8,325	12,22	15,391
Total way	281,597	392,782	514,558
Total through	25,397	32,158	42,758
Total way and through	306,994	424,940	55,731

The amount of freight (tons of 2,000 lbs.) carried is shown in the following statement:

	1863	1864.	1865.
Freight shipped from all stations northward ...tons	....	174,266	222,680
" " " southward	....	211,830	288,383
" " Alton & below to north	....	89,725	89,080
" " Joliet and above to south	....	154,334	214,406

OPERATING ACCOUNTS.

The gross earnings and expenses of operating the road are shown in the following statement:

	1862. (2½ mos.)	1863. year.	1864. year.	1865. year.
Passenger earnings	$115,437	$736,059	$974,549	$1,466,759
Freight "	215,467	1,120,448	1,479,859	2,155,152
Mails, express, &c., earnings	12,348	81 680	89,209	80,751
Military earnings	28,907	83,583	227,067	137,431
Total gross earnings	$372,659	$2,021,770	$2,770,484	$3,840,091
Operating expenses	162,396	971,840	1,532,106	2,006,574
Profits	$210,273	$1,049,930	$1,238,378	$1.833,517
Less the following payments:				
Joliet and Chicago Railroad lease	$46,082	$187,123	$164,725	$140,289
St. Louis, Alton and Terre Haute Railroad lease	8,511	59,480	.....	.....
Alton and St. Louis Railroad dividend	.....	.....	42,664	58,238
Alton & St. Louis Packet Comp'y	8,735	55,692	.....	.....
U. S. tax on passengers	3,807	22,710	....	.....
Omnibus transfer, ferry, &c.		23,059	.....	.....
Total deductions	$67,135	$348,064	$207.389	$198,527
Net profits to Chicago and Alton Railroad Company	$143,138	$701,866	$1,030,989	$1,634,990

INCOME ACCOUNT.

	1862.	1863.	1864.	1865.
Net profits as above	$143,138	$701,866	$1,030,989	$1,634,990
Surplus, Jan. 1	.....	143,138	349,742	741,236
Premium on bonds sold, &c.	.....	9,397	.....	.....
Lot at Alton sold	.....	.....	.....	400
Dividends on Alton and St. Louis stock	.....	.....	35,140	44,639
Total resources	$143,138	$854,401	$1,415,871	$2,420,265
Disbursed as follows:				
Interest on bonds	.....	256,480	284,182	263,185
Payments to sinking fund	....	15,000	31,575	34,362
Dividends on stocks	.....	129,338	286,712	376,548
Construction and renewal account	.....	103.841	70,000	407,447
Alton and St. Louis Railroad construction	.....	.....	.....	38.325
Sundries	.....	.....	2,365	.....
Total disbursements	.....	$504,659	$674,635	$1,129,867
Surplus December 31	$143,138	$349,742	$741,236	$1,291,398

GENERAL BALANCES.

The financial condition of the company, as exhibited on the General

Balance sheets, made at the close of the fiscal years 1862–1865, both years inclusive, is shown in the following abstract:

	1862.	1863.	1864.	1865.
Capital stock—preferred	$2,464,336	$3,422,596	$2,425,200	$2,425,400
" " common	1,779,886	1,783,343	1,783,100	1,783,200
Bonds—Sinking fund, due Nov. 1, 1877	600,000	585,000	554,000	519,000
Bonds—1st mortgage, due Jan. 1, 1893	2,400,000	2,400,000	2,400,000	2,400,000
Bonds—Income, due Jan. 1, 1883	1,100,000	1,100,000	1,100,000	1,000,000
Sinking fund—bonds cancel'd	.....	15,000	46,000	81,000
" " cash	.....	.....	575	134
Bonds and stocks unused	.....	85,000	38,313	37,813
Convertible scrip outstanding	.....	.....	619	319
Stores transferred from Receiver	75,890	.....	.....	.....
Joliet and Chicago Railroad shares on hand	.....	500,000	.....	.....
Renewal fund, balance unexpended	.....	.....	351,786	.....
Alton and St. Louis R. R., construction fund unexpended	.....	.....	77,471	.....
Current accounts	157,877	151,735	378,293	310,968
Bills payable	.....	.....	.....	58,972
Surplus income Dec. 31	143,138	349,742	741,236	1,291,398
Total debit side	$8,721,057	$9,392,415	$9,896,598	$10,008,224
Cost of road (220 m.), equipment, etc	$8,117,539	$8,281,6 9	$8,308,919	$8,308,919
Bonds and stocks issued, but unused	.....	85,000	38,313	37,813
Alton & St. Louis R.R. shares on hand	.....	.....	647,700	637,700
Joliet and Chicago R.R. shares on hand	.....	.....	11,400	.....
7 per cent bonds held by Trustees	300,000	.....	.....	.....
Renewal fund (being $500,000 Joliet and Chicago Railroad stock set apart as a fund to be used in acquiring rolling stock, etc	.....	500,000	.....	.....
Bonds held by trustees on renewal account	.....	120,000	50,000	50,000
Supplies on hand Dec. 31	129,395	166,881	286,993	451,934
Timber land aco'nt, for steamers, barges, fuel, ties, &c	.....	.....	57,486	41,268
Trustees of sink. fund—cash	.....	.....	575	134
Interest in Chicago live stock depot	.....	.....	.....	50,000
Depot grounds—purchased in 1865	.....	.....	.....	28,639
United States—rolling stock sold to government	.....	25,300	.....	.....
Current accounts, including Jan. coupons, rents, &c	74,539	115,251	258,168	205,294
Bills payable	.....	.....	.....	3,526
Cash on hand	99,584	98,344	237,044	193,097
Total credit. side	$8,721,057	$9,392,415	$9,896,598	$10,008,294

DEDUCTIONS.

The cost of road and the earnings, expenses and profits per mile; also the proportion of expenses to earnings and of profits to cost of road, are shown in the following table:

Fiscal years.	Cost of road per mile.	Gross earn'gs per mile.	Ope'g exp'ses per mile.	Net profits per mile.	Exp'ses to ear'gs.	Profits to cost of road.
1863	$37,644	$7,221	$3,471	$3,750	48.07	9.98
1864	37,760	9,894	5,472	4,422	55.31	11.71
1865	37,760	13,714	7,166	6,548	52.30	17.34

The cost of road is deduced from the 220 miles belonging to the company; the earnings, expenses and profits from the 280 miles constituting the line operated.

PRICES OF THE STOCKS AT NEW YORK.

The following shows the monthly range of the common stock:

	1863.	1864.	1865.		1863.	1864	1865.
Jan	59 @65	84¼ @89¼	89 @92	July	65 @84	95@98	90@103
Feb	62 @64	81 @90	90 @95¼	Aug	79 @86	84@97	96@103
Mar	57½@66	87 @ 96¼	80 @90¾	Sept	68 @82	85@87	96@101
Apr	60 @69¼	65 @100	80 @92	Oct	78¼@87	80@83	104@106¼
May	70 @85	88 @ 97¼	82¼@93¼	Nov	80 @91	85@90	103@106
June	63 @79	90 @ 99	87 @97¼	Dec	81 @86	89@93	104@106½
Range of year					57¼@91	65@100	80@106½

The fluctuations of the preferred stock in the same years were as follows:

	1863.	1864.	1865.		1863.	1864.	1865.
Jan	85 @87	94 @ 96	90 @ 95	July	90 @98	93@98	01 @102½
Feb	83½@85	92½@ 98	92¾@ 98	Aug	92½@97	92@97½	96 @104
Mar	80 @86	94 @100½	84 @ 93½	Sept	82 @91½	90@93	97¼@105½
Apr	81 @91	95 @108	85 @ 95	Oct	90 @94	85@90	105 @107½
May	92 @99	94 @ 96	91 @107	Nov	89½@98	90@95	104½@107
June	88 @95	95 @ 97	92½@105	Dec	92 @95½	92@95	05 @107½
Range of year					80 @99	90@100½	84 @107½

DIVIDENDS ON THE STOCK.

Since the reorganization of the company the following dividends have been paid;

Date.	Pref.	Com'n.	Date.	Pref.	Com.
August, 1863	3½	3½	February, 1865	5	5
February, 1864	3½	—	August, 1865	3½	3½
August, 1864	3½	6	February, 1866	5	5
Total in three years				24	23

The Chicago and Alton Railroad Company are successors of the Chicago and Mississippi, afterwards called the St. Louis, Alton and Chicago Company, which constructed a railroad between Joliet and Alton, a length of 220 miles. In 1859 the Chicago and Mississippi Company became bankrupt, and in December of that year the property was surrendered to a Receiver. At this date the property of the company was in a disorganized condition, and the company's employees in a state of mutiny. For years repairs of every kind had been neglected, and the road was in full course to ruin. The hands had received no pay for months. To the honor of the Receiver, however, no long period elapsed before this state of matters was remedied, and future operations were so conducted as to result in a complete regeneration of the property. In the meanwhile the company was being reorganized. By an agreement among the bond-holders, dated January 10, 1860, the junior creditors and stockholders were allowed to participate in the distribution of the new capital, their claims being properly scaled. This operation reduced the capital account to reasonable proportions, and made it possible that it should become dividend paying. Matters to this end having been legally arranged, the Receiver, on the 15th October, 1862, returned the property to the reorganized company.

That portion of the line from Joliet to Chicago, 37 miles, was constructed by the Joliet and Chicago Railroad Company. At first the receipts of the whole line were divided in proportion to the mileage owned by each company, each party maintaining its own road. Subsequently a permanent lease of this road was taken by the Chicago and Alton Company, which stipulated to pay for its use 7 per cent on the company's capital of $1,000,000, and 8 per cent on its funded debt of $500,000. At the same time, the option to purchase the road was secured to the Chicago and Alton Company. This section of the road is therefore under the immediate control of the latter, and may been considered as their own in absolute property, subject only to an annual rental. Its purchase, indeed, is only a matter of form and time.

The Alton and St. Louis Railroad, extending from the City of Alton to Bloody Island opposite St. Louis, 23¼ miles, was conveyed to the company under perpetual lease on the 16th April, 1864. The final surveys had

been completed in March. On the 18th May construction was commenced, and the main track laid by the 1st of December. The line was not open for business, however, before the 1st of January, 1865. The Chicago and Alton Company pay for the use of this road 7 per cent per annum on the capital stock fixed at $800,000. This new line has proved highly advantageous to the company in the transaction of its business.

The St. Louis, Jacksonville & Chicago Railroad was opened for traffic between Petersburg and its junction with the Chicago & Alton Railroad near Monticello (a distance of 88 miles) on the 1st January, 1866. By the extension of this railroad northward to a connection with the Chicago & Alton Railroad at a point 80 to 100 miles from Chicago all danger of a competing line to St. Louis would be obviated; and the control of the Jacksonville line, practically vesting in the Chicago & Alton Company under the provisions of a perpetual contract, insures a great increase of traffic to the main line which will probably render a double track from the Junction to Chicago indispensable.

In consequence of much difficulty having been heretofore experienced in the care and delivery of live-stock transported to Chicago on the different lines of railroad and the dissatisfaction on the part of dealers, causing shipments to eastern markets by routes avoiding Chicago, the several railroad companies whose lines terminate at Chicago united in 1865 in the purchase of grounds and the construction of a Live-Stock Depot near the Southern limits of the city, which in its magnitude and completeness for the purpose designed is unequalled. Its cost has exceeded $1,300,000—the capital of its organization, known as the "Union Stock Yard & Transit Company" being $1,000,000 and its indebtedness about $300,000—the interest of the Chicago & Alton Company in the enterprise is equal to 1-20th and its cost $50,000.

With Chicago and St. Louis, the two largest commercial cities of the interior, as the terminal points of the line, and with several of the largest and most flourishing cities of the State on it, such as Alton, Springfield, Bloomington and Joliet, with many large and growing towns, the Chicago and Alton Railroad has more than an ordinary bright future in prospect, and will become one of the most valuable properties in the country. The development of the agricultural resources of its commercial area, has, indeed, only just been commenced. This development is daily expanding, and at no distant period will demand far greater facilities than those now provided, to keep up with which the company will require constant accessions to its storage capacity and equipment. The reality will exceed any calculations that any prudent man would dare to predict. Hence no penurious, or contracted views or policy should be permitted a foothold in the management of the company's affairs, but all the means and energies necessary to encompass the most abundant results should be applied to the single purpose of the great end in view, the fullest accommodation of the public convenience and necessities, and the increased revenue resulting from such a condition of affairs.

MILWAUKEE & PRAIRIE DU CHIEN RAILWAY.

The Milwaukee & Prairie du Chien (formerly M. & Mississippi) Railway extends across the State of Wisconsin from Lake Michigan to the Mississippi River, and consists of—

MAIN LINE—Milwaukee to Pr irie du Chien	192.00	miles.
BRANCH LINE—Milton, via Janesville, to Monroe	42.41	"
Total line owned by company	234.41	"
LEASED LINE—McGregor Western Railway in Iowa	50.00	"
Total line owned and leased	284.41	"

The lease made with the McGregor Western Company is dated March 11, 1865 and is for 999 years. The M. & Prairie du Chien Company assumed possession April 1, when the road was open to Ossian 35 miles. It was further completed to Counover, 50 miles, August 29th, and is now being extended to Austin. Minn., where it will connect with the Minnesota Central Railroad, 65 miles from McGregor. The M. & Prairie du Chien and the McGregor Western Railroads will be connected by a bridge about to be constructed across the Mississippi. The accounts of these roads are kept separately.*

ROLLING STOCK.

The rolling stock owned by the Company at the close of the last five fiscal years is shown in the following statement:

	1861.	1862.	1863.	1864.	1865.
Engines—passenger	7	7	7	7	7
" —freight	26	28	28	27	28
" —switching	4	4	4	7	6
" old and unused	8	5	5	3	3
Total Engines	45	44	44	44	45
Passenger and baggage cars	46	48	41	38	43
Freight cars	527	561	574	601	609
Gravel, ditching, &c., cars	105	105	84	80	80
Total Cars	678	709	695	719	732

Several of the old engines and cars have been sold and transferred to the McGregor Western Railroad Company and their place supplied with new ones. Two other new engines will be ready early in the coming spring.

OPERATIONS OF THE ROAD.

The operations of the road, viz.: the mileage of engines with trains, and the passenger and freight traffic, are shown in the tables which follow:

Mileage of engines with trains:

	1861.	1862.	1863.	1864.	1865.
Passenger	275,296	296,441	292,944	303,331	310,857
Freight	387,784	436,372	494,069	551,155	529,937
Wood and repairs	133,447	90,8 9	76,739	83,697	72,494
Total mileage	796,527	823,642	863,752	938,183	913,288

* The McGregor Western Railway (average length operated 43½ miles) earned in the nine months (April—December) $213,339 or at the rate of $6,529 per mile per annum. The expenses, including rent of rolling stock and working capital ($18,303), amounted to $128,446 or 60.2 per cent of earnings, leaving as profits $84,893. Passengers 24,435; freight 46,160 tons. Of the passengers 10,932 were shipped to west and 9,218 were received from west at McGregor. Out of a total of 15,394 of *westward* freight 4,433 tons were shipped at Prairie du Chien and 10,663 tons at McGregor; and out of a total of 30,776 tons of *eastward* freight 759 tons were received at McGregor and 29,963 tons at Prairie du Chien. From the profits were paid $34,440 for coupons due August 1; $49,291 on construction account, and $1 350 for judgment, etc., leaving $4,856 to account new.

Number and mileage of passengers:

	1861.	1862.	1863.	1864.	1865.
Way passengers—east	59,198	61,280	79,885	119,220	128,165
" " —west	61,474	65,155	83,823	121,925	132,333
Through " —east	8,388	5,879	6,127	7,441	8,789
" " —west	5,123	4,890	6,849	8,792	11,307
Way & through pass.—east	63,586	66,659	861,012	126,661	136,954
" " " —west	66,597	70,055	90,672	130,717	143,640
Total way passengers	120,672	130,435	163,708	241,145	260,498
" through "	9,511	10,269	12,976	16,233	20,096
Total way & through	130,183	136,704	176,684	257,378	280,594
Mileage of passengers—east	3,332,716	3,075,824	3,771,080	5,323,371	5,617,324
" " —west	3,392,178	3,075,506	3,942,585	5,483,282	6,178,822
" " both ways	6,725,894	6,151,330	7,723,665	10,806,653	11,796,146

Tons and mileage of freight:

	1861.	1862.	1863.	1864.	1865.
Way freight—tons, east	128,681	118,632	129,296	97,645	72,035
" " — " west	61,990	48,565	50,202	54,025	57,564
Through freight—tons, east	100,207	99,285	79,159	111,762	128,353
" " — " west	14,916	15,868	19,515	23,298	32,964
Way & thro' do—tons, east	238,888	217,917	208,455	201,407	129,599
" " — " west	76,906	64,433	69,787	77,323	161,317
Total way freight—tons	190,671	167,197	179,498	143,670	200,388
" through freight—tons	115,123	115,153	98,674	135,060	90,528
Total way and through	305,794	282,350	278,172	278,730	290,916
Mileage of loaded cars—east	2,279,350	3,068,342	2,976,894	3,310,267
" " —west	1,487,240	1,619,988	1,829,450	2,115,842
Mileage of empty " —east	380,335	391,855	717,064	503,438
" " " —west	2,166 820	1,844,967	1,635,093	1,657,679
Total loaded cars	4,766,590	4,688,330	4,806,344	5,426,109
" empty "	2,547,155	2,236,822	2,352,157	2,161,117
Total loaded & empty	7,313,745	6,925,152	7,158,501	7,587,226
Av. load (tons) per car—east	8.62	8.25	9.16	8.57
" " " —west	4.17	4.13	4.25	4.41
" " " —both	7.23	6.82	7.23	6.95

Tons car. 1 m., viz.: Eastward 20,965,212; Westw'd 7,220,138; B'h ways 37,175,350

FISCAL OPERATIONS—EARNINGS AND EXPENSES, ETC.

The sources and amounts of gross earnings, the expenses of operation, and the amount and distribution of profits, yearly for the five years ending Dec. 31, 1865, are shown in the following statement:

	1861.	1862.	1863.	1864.	1865.
Passenger earnings	$211,250	$357,027	$294,885	$509,718	$562,911
Freight earnings	835,173	855,902	904,157	1,149,958	1,389,459
Mails and rents	61,931	50,305	48,215	51,610	33,141
Total earnings	$1,108,354	$1,163,734	$1,247,257	$1,711,281	$1,985,511
Expenses and taxes	672,315	748,998	793,747	1,206,951	1,337,880
Profits	$436,039	$414,741	$453,510	$504,330	$647,631
Add balance for last year	.....	292,874	211,057	278,582	229,938
Interest, discounts, &c	.....	5,623	5,169	6,620	7,374
Receipts from McGregor Railway Comp'y.	.....	.....	.....	.....	18,303
Total resources	$436,039	$713,238	$669,736	$789,532	$903,246

Disbursed as follows:

Improvements at P. d Ch'n	.....	$67,852	$26,180	$91,490	$16,496
Monroe and Dubuque R. R. surveys	.....	.....	.....	4,370	.....
Milwaukee and Miss. R.R. Co. under liens	15,110	28,220	5,384	788	517
Real estate	500	1,022	50	8,876	10,289
New rolling stock	.....	.....	.....	.....	79,594
N. W. Telegraph line	.....	.....	.....	.....	14,154
Invested in bonds and preferred stocks	.....	62,923	.....	.....	.....
Interest on bonded debt	118,405	172,900	170,485	106,400	88,202
Instalments of sink'g fund	9,150	13,000	33,995	98,080	164,843
Reserved sinking fund	.....	.....	.....	.....	1,485
Dividends on preferred st'k	.....	156,264	155,060	249,650	286,068
Balance to next year	292,874	211,057	278,582	229,938	291,648
Total disbursements	$436,039	$713,238	$669,736	$789,532	$903,246

The amount of taxes, charged in the above to operating expenses, were in each year as follows:

1861	$11,143	1864	$72,230
1862	26,612	1865	112,234
1863	51,030		

The investment in 1862 in the bonds and stock of the company consisted of—bonds (59) $51,738.75; 1st preferred stock (98 shares) $7,763.74, and 2d preferred stock (60 shares) $3,420.00. These bonds and stocks were cancelled and the outstanding capital reduced by so much.

No dividends have as yet been made on the common stock.

GENERAL ACCOUNT, DECEMBER 31.

The financial condition of the company at the close of each of the last five years has been as shown in the following table:

	1861.	1862.	1863.	1864.	1865.
1st mortg. bonds & scrip stock...	$2,526,000	$2,454,000	$2,410,000	$966,000	$402,000
1st preferred stock.....	1,060,800	1,061,000	1,061,000	2,414,500	3,022,000
2d " "	1,020,000	1,014,000	1,014,000	1,014,000	1,014,000
Common "	2,761,800	2,761,800	2,761,800	2,988,073	3,014,000
Sink. fund bonds cancelled.....	181,400	219,200	253,200	343,700	514,200
Reserved sinking fund	.....	.....	.....	.....	1,425
Convertible property & old debts account.....	141,267	141,267	141,267	141,267	141,267
Material reserve account.....	26,588	.....	.....	.....	.....
Car reserve acc'nt.....	.....	3,264	4,333	4,333	4,333
Station re'rve ac't.....	.....	.....	.....	10,700	14,780
Rolling stock reserve account....	.....	.....	.....	.....	45,500
Suspense account.....	.....	.....	.....	.....	12,000
Balances payable to other companies.....	58,550	31,525	28,361	177,129	50,559
Debts payable: notes and bills.....		48,491	58,802	126,781	126,646
Coupon account: coups to become due Jan. 1.....	17,325	41,912	78,190	35,927	14,980
Reserved Government tax.....	.....	1,326	2,769	.....	1,722
Iowa R. R. construction Co.....	.....	.....	.....	.....	581
McGregor West'n Railway Co....	.....	.....	.....	.....	22,877
Balance of Income.....	292,874	211,057	278,582	229,938	291,648
Total.....	$8,036,604	$7,978,842	$8,092,308	$8,452,351	$8,755,527
General property: cost of road, &c.....	$7,500,000	$7,500,000	$7,500,000	$7,726,273	$7,726,200
McGregor West'n Railway Co: Stock advances.....	.....	.....	.....	.....	300,000
Cash "	.....	.....	.....	.....	3,806
Construction.....	.....	.....	.....	.....	53,712
Materials on hand.....	100,000	100,181	118,421	237,708	231,411
Bal'nces due from Agents, &c....	16,866	15,098	18,954	47,220	44,389
Bal. due from U. S. on military account.....	.....	31,492	16,415	156,245	36,107
U. S. Post office, due on mails...	.....	6,665	5,262	5,262	5,264
McGregor West'n R'way bonds..	.....	.....	4,333	4,333	15,733
Cash.....	416,738	325,406	428,919	275,315	339,005
Total.....	$8,036,604	$7,978,842	$8,092,308	$8,452,351	$8,755,527

The bonded debt has been decreased chiefly by cancellation under the operations of the sinking fund and purchase, and by conversions into 1st preferred stock. The increase of the 1st preferred stock on the other hand is due mainly to issues to satisfy such conversions of bonds and an advance ($274,000) to the McGregor Western Company under a law approved March 26, 1864.

DEDUCTIONS.

The following table shows the cost per mile of road, the earnings, expenses and profits per mile, the proportion of expenses to earnings, and the rate of profits to the cost of road.

	1861.	1862.	1863.	1864.	1865.
Cost of road per mile.....	$31,996	$31,996	$31,999	$32,962	$32,961
Earnings per mile.....	4,728	4,965	5,821	7,301	8,471
Expenses "	2,868	3,195	3,686	5,149	5,708
Profits "	1,860	1,770	1,935	2,152	2,763
Expenses to earnings p. c.....	60.66	64.35	63.63	70.53	67.39
Profits to cost p. c.....	5.81	5.53	6.49	6.53	8.38

PRICES OF STOCKS AT NEW YORK.

In the following table are shown the range of prices of the Company's stocks at New York, monthly for the five years 1861–65, both inclusive:

FIRST PREFERRED STOCK.

	1862.	1863.	1864.	1865.
January	74 @ 84	.....@.....	106 @110	.....@.....
February	73½@ 77	109 @109	110 @113	.....@.....
March	77½@ 80	108 @110	.....@.....	.....@.....
April	77 @ 79½	107 @107	115 @115	.....@.....
May	79½@ 85	110½@110½	.....@.....	92 @ 95
June	90 @ 97½	.....@.....	115 @117	91 @ 93
July	88½@ 90	106 @113	116 @120	90 @ 90
August	90 @ 90	102 @112	119 @122	92 @ 93½
September	94 @ 96	109 @110	111 @121	96½@ 99
October	99 @100	.....@.....	.....@.....	101 @103
November	.....@.....	.....@.....	110 @111	101½@103
December	103 @103	.....@.....	.....@.....	101 @102
Year	73½@103	102 @112	106 @122	90 @103

SECOND PREFERRED STOCK.

	1862.	1863.	1864.	1865.
January	59 @ 65	85½@ 90	87 @ 90	.....@.....
February	52 @ 57	76 @ 78	84 @ 88	.....@.....
March	54½@ 58½	77 @ 78	.....@.....	.....@.....
April	56 @ 58	73 @ 80	91 @ 91½	.....@.....
May	50 @ 64½	81½@ 90	90 @ 80	.....@.....
June	64 @ 75	75 @ 82	90 @ 92	.....@.....
July	66 @ 70¼	78 @ 86	90 @ 94	69 @ 70
August	70 @ 73	85 @ 89½	92 @ 94	70 @ 75
September	79 @ 79	85 @ 88	.....@.....	83 @ 85
October	77½@ 78	84 @ 88½	.....@.....	85 @ 90
November	77 @ 80	87½@ 88	80 @ 80	88 @ 91
December	79 @ 84½	87 @ 88½	.....@.....	.....@.....
Year	52 @ 84½	67½@ 90	80 @ 94	69 @ 91

COMMON STOCK.

	1861.	1862.	1863.	1864.	1865.
January	10 @14¾	18¾@ 21½	35 @ 48	58 @ 62	34 @ 49¾
February	10 @12¾	19½@ 21	35 @ 41	57 @ 69	41¾@ 48¾
March	11 @12	20 @ 27½	35½@ 40	53 @ 69½	30 @ 41
April	9 @11¾	25¼@ 28¼	34½@ 44	63 @ 89	30 @ 42
May	9 @ 9½	26¼@ 30	43 @ 60¾	58 @ 72	34 @ 43
June	14 @14	27¾@ 37	42 @ 56¾	66 @ 71	33 @ 41
July	14 @15	30½@ 34	50¾@ 69½	63 @ 70	35¾@ 40¾
August	14½@15	31½@ 34½	67 @ 90¼	61 @ 70	38 @ 41¾
Septemb'r	14¾@19½	32½@ 38¾	65 @ 79¾	50 @ 62	48 @ 58
October	13½@19	33 @ 38	66 @ 74	35 @ 49	56 @ 73
Novemb'r	19 @23	31 @ 34	53 @ 70½	47 @ 56½	74½@185
December	16¾@20	31 @ 34	50 @ 59	41 @ 55	90 @ 96
Year	9 @23	18¾@ 38¾	34½@ 90¼	35 @ 89	30 @185

The Milwaukee and Prairie Du Chien Railway Company are successors of the Milwaukee and Mississippi Railroad Company, and are vested with their property by virtue of a sale under the process of foreclosure of a mortgage. The proceedings were for and on account of the several classes of creditors and stockholders of the old company, and the property purchased at the sale was conveyed to the present company, an association formed under the General Railroad Law of Wisconsin.

The indebtedness (less sinking funds) of the Milwaukee and Mississippi Company, September 1, 1860, was as follows:

Due employees, etc., preferred by order of court	$35,112
Notes secured by mortgage of real estate	21,978
Ten per cent. 1st mortgage bonds	74,000
Eight per cent. 1st mortgage bonds	2,550,000
Interest due on 1st mortgage bonds	305,960
Ten per cent. 2d mortgage bonds, $600,000, and interest	657,950
Second mortgage to City of Milwaukee, $300,000, and interest	338,920
Third mortgage, $396,069, and interest	408 639
Due to sinking fund	138.208
Amount of mortgage and preferred liens	$5,036,167

Floating debt and interest	$525,347	
Claim of Milwaukee, $284,000, and interest	290,910—	816,257
Whole indebtedness as claimed		$5,852,424
Share capital, general issue	$2,685,600	
Share capital, issued for farm mortgages	767,800—	3,452,800
Total subject to reorganization		$9,305,224

The road and property were sold and purchased at a cost of $7,500,000, and paid for as follows:

First mortgage, seven per cent., thirty years' bonds	$2,556,000
First-class preferred eight per cent. stock	1,095,000
Second-class preferred seven per cent. stock	1,0-6,800
Common stock	2,761,800

This arrangement reduced the old first mortgage from eight to seven per cent. bonds, and converted the other classes of debt into preference shares, leaving the old common stock to come in at a scaled rate to make up the difference between the bonds and proposed shares, and the total cost of the property, $7,500,000.

The plan of reorganization was fully carried out, the sale perfected and articles of association, signed January 21, 1861, which is the initial point of the history of the present company.

On taking possession of the property the new company found the road and machinery in the greatest delapidation, and the accommodation for business very inferior. Their first object was to remedy these defects, and certainly the five years of possession just ended has wonderfully changed the aspect of affairs. The road is now in excellent condition, having been newly relaid. Storage and elevators have been erected at the terminal points of the main line, Milwaukee and Prairie Du Chien. The rolling stock has been completely regenerated and largely increased, and, in fact, every convenience has been provided for a large and prosperous business. The result has been an increasing revenue, regular dividends on the preferred stock, and considerable surplus revenue in hand. No dividends, however, can be paid on the common stock until the mortgage debt is paid off, and this by the action of the sinking fund, and conversions is being rapidly done. Already the original $2,556,000 has been reduced to $402,000, and the whole will probably have disappeared before the end of another year.

The original road was built by the Milwaukee and Mississippi Company as before stated. Construction was commenced in 1860.

In 1851 there were completed and brought into use two sections, one of 18.10 miles, and a section of 18.40 miles; by the end of 1852 71.5 miles were in use; in 1853 89 5 miles, and in 1854 103 miles. No further mileage was completed until 1856, when 188 miles were in operation, and during the next year the whole main line and the Southern line were finally completed. The section between Milton and Janesville was for several years used as a branch under the title of the Janesville Branch, but this now forms a link in the Southern line, which it is intended to extend from its present terminus at Monroe to the Mississippi River opposite Dubuque.

The McGregor Western Railway is an extension of the Milwaukee and Prairie Du Chien road into Iowa and Minnesota. It is now under the entire control of this company, and must eventually become a most important feeder to the present road. The two roads, in connection with the

Minnesota Central Railroad, will form a continuous line between Milwaukee and St. Paul.

The improvements now being prosecuted are a bridge across the Mississippi at Prairie Du Chien, and the construction of warehouses, stations, &c., which are much wanted. The company are also constructing the Iowa line for its owners, and have furnished large sums for this object, chiefly in preferred stock.

As a matter of valuable record we collate from the reports of the old company a yearly account of its financial condition, as shown on the general ledger, and a statement of the revenue account from the first opening of the road to the period when they passed into other hands.

CAPITAL ACCOUNT, 1851-60.

Fiscal year.	Capital stock.	Funded debt.	Floating debt.	Total amount.	Miles of road.	Cost of property.
1851	$692,015	$74,000	.....	$766.015	36 50	$660,889
1852	729,988	568,000	81,281	1,379,219	71.50	1,167,787
1853	830,881	700,000	235,082	1,765,963	89.50	1,733,276
1854	983,665	1,447,500	228,535	2,664,700	103.00	2,704,583
1855	1,826,439	2,347,500	67,890	4,241,829	103.00	3,578,758
1856	2,975,019	3,481,000	312,158	6,768,175	188.00	6,152,016
1857	3,674,672	4,035,500	478,014	8,188,186	234.41	7,826,029
1858	3,698,693	4,347,000	278,261	8,321,954	234.41	8,114,126
1859	3,686,813	4,439,073	441,161	8,567,047	234.41	8,125,839
1860	3,777,800	4,311,469	525,347	8,844,616	234.41	8,125,839
As reorganized.	4,944,000	2,556,000	.....	7,500,000	234.41	7,500,000

REVENUE ACCOUNTS, EARNINGS AND EXPENSES, 1851-60.

Fiscal years.	Av. miles in use.	Gross Earnings. Passeng'rs.	Freight.	Other.	Total.	Operating expenses.	Resulting profits.	Div. p. c.
1851	18.10	$13,700	$8,411	.....	$22,111	$7,596	$14,515	nil.
1852	42.00	31,997	43,344	.....	75,341	32,858	12,483	"
1853	70.00	78,635	148,283	.....	228,918	87,115	139,803	"
1854	88.00	150,629	314,423	.....	465,051	149,252	315,799	10
1855	103.00	208,100	483,744	.....	691,844	273,797	418,047	10
1856	132.00	227,610	441,634	11,223	680,472	307,781	372,691	10
1857	188 00	399,090	469,920	13,898	852,888	412,200	470,618	nil.
1858	234.41	305,806	555,862	21.518	883,186	443,243	439,944	"
1859	234.41	210,973	512,318	23,208	746,499	438,951	307,542	"
1860	234.41	217,992	504,568	27,281	799,841	402,719	337,122	"

FINANCES OF TENNESSEE.

We have obtained through his Excellency, the Governor of Tennessee, a detailed account showing the condition of the State finances, from which we have been able to prepare the facts and figures given below. In the present condition of the government and people it is impossible to furnish any reliable estimate of the probable future receipts or expenditures.

The annual expenses for the few years first previous to the war were $700,000, but the future charge upon the Treasury for the same purposes must exceed that sum. There is also a large amount ($5,169,740) of unpaid back interest, and also $364,167 of the principal of the State debt proper over due, making a total of interest and debt due of $5,533,907.

The debt itself is classified under different heads, and the following shows the total amount of each, and interest due to January 1, 1866:

DEBT OF TENNESSEE.

	Original.	Interest.	Total.
State debt proper	$3,894,607	$849,553	$4,744,160
State bonds loaned	14 006,000	3,769,507	17,775,507
State bonds endorsed	2,207,000	550,680	2,759.680
Aggregate debt and liabilities	$20,107,607	$5,169,740	$25,277,347

Included in the above are a number of State bonds issued to railroad and turnpike

companies after the passage of the ordinance of secession, but which had been authorized by the Legislature before that occurrence as follows:

Date of issue.	Companies to which issued.	Amount of issue.
April 20, 1861,	Louisville and Nashville Railroad	$5,000
" 23, "	Nashville and Northwestern Railroad	120,000
June 11, "	Mobile and Ohio Railroad	172,000
" 14, "	Carthage and Rome Turnpike	8,090
Not stated.	Mansker's Creek and Springfield Turnpike	10,000
"	Carthage, Alexander, and Red Sulphur Turnpike	16,000
	Total issued by secession authorities	$331,000

It is not believed by the State authorities that any legal obligation rests upon the State for the payment of interest or principal of these bonds, and the legislature has made no provision for them.

Under the head of "State Debt Proper" are classed all issues for which the State is directly liable, viz.:

Classes of Bonds.	Original debt.	Interest to Oct., 1866.	Total debt.
Bonds issued for turnpike stock:			
5 per cent bonds	$1,091,180	$226,243	$1,317,441
5¼ do	137,167	20,801	157,968
Bonds issued for bank stock:			
6 per cent bonds (B. of Tennessee)	1,000,000	240,000	1,240,000
5 do do (Union Bank)	125,000	25,000	150,000
Bonds issued for railroad stock:			
5 per cent bonds (E. Tenn & Ga. RR)	650,000	130,000	780,000
5 do do (La Grange & Mis R)	83,250	16,650	99,900
5¼ do do do do	102,000	21,420	123,420
Bonds issued for public purposes:			
6 per cent bonds (Hermitage)	48,000	11,520	59,520
6 do do (State capital)	658,000	157,920	815,920
Total State debt proper	$3,894,607	$849,553	$4,744,160

The following shows the amounts due in each year:

1861	$66,667	1869	$331,500	1874	$185,000	1880	$52,000
1862	61,250	1870	374,750	1875	39,000	1881	76,000
1863	177,750	1871	441,000	1876	32,300	1886	91,000
1864	58,500	1872	308,500	1877	102,800	and—	
1868	1,245,000	1873	81,000	1879	93,000	1892	48,000

The portion stated above as now due are the bonds of 1861–64, amounting to $364,167.

The class "State Bonds Loaned" includes all those issues which have been loaned on the security of the works for which they have been separately made, and also an issue to the Agricultural Bureau. The following are the details:

STATE BONDS LOANED.

Companies to which issued.	Original debt.	Int. to Jan., 1866.	Total debt.
Bonds issued to Railroad Companies:			
East Tennessee and Virginia	$1,599,000	$444,700	$2,043,700
East Tennessee and Georgia	1,160,000	272,880	1,432,880
Memphis and Charleston	1,081,000	262,980	1,343,980
Memphis and Ohio	1,493,000	403,110	1,896,110
McMinnville and Manchester	364,000	87,360	451,360
Tennessee and Alabama	853,000	231,581	1,084,581
Mississippi Central and Tennessee	574,000	154,980	728,980
Mobile and Ohio	1,296,000	349,920	1,645,920
Edgefield and Kentucky, and Louisville & Nashville	211,000	63,300	274,300
Memphis, Clarksville, and Louisville	1,042,000	312,600	1,354,600
Winchester and Alabama	433,000	143,259	596,259
Louisville and Nashville	455,000	126,015	581,015
Edgefield and Kentucky	645,000	200,162	845,162
Central Southern	534,000	128,160	662,160
Rogersville and Jefferson	159,000	38,160	197,160
Mississippi and Tennessee	95,000	22,800	117,800
Nashville and Chattanooga	154,000	36,000	190,000
Nashville and Northwestern	1,455,000	392,400	1,847,400
Cincinnati, Cumberland Gap, and Charl'n	132,000	31,680	163,680
Knoxville and Kentucky	180,000	43,200	223,200
Bonds issued to turnpike companies	65,000	17,060	82,060
Bonds issued to Agricultural Bureau	30,000	7,200	37,200
Total State bonds loaned	$14,006,000	$3,769,507	$17,775,50

The State has also endorsed the bonds of several railroad companies, viz.:

BONDS ENDORSED BY THE STATE.

Railroad companies.	Original bonds.	Int. to Jan., 1866.	Total liabili's.
Nashville and Chattanooga	$1,546,000	$371,040	$1,917,040
East Tennesse and Virginia	185,000	44,400	229,400
East Tennessee and Georgia	126,000	30,240	156,240
Memphis and Little Rock (Arkansas)	350,000	145,000	455,000
Total endorsed bonds	$2,207,000	$550,680	$2,757,680

The bonds endorsed for the Memphis and Little Rock Railroad were, in fact, bonds of the City of Memphis loaned to that company and e dorsed by the State.

The subject of funding this debt and paying this over due interest was discussed at great length by the Legislature, and finally the following act was passed authorizing the issue of new bonds:

An Act to amend an Act entitled "An Act to establish a System of Internal Improvement in this State," passed the 11th of February, 1852.

SECTION 1. Be it enacted by the General Assembly of the State of Tennessee, that the act aforesaid be so amended that the Governor of this State be authorized and instructed to issue the six per cent coupon bonds of the State, similar in character in every respect to the bonds issued under the act that this is intended to amend, and maturing at the same time, to amount sufficient to pay off all the bonds and interest past due, as well as that to fall due Jan. 1, 1866, or on any bonds that may fall due during the year 1866, issued or indorsed by the State, that were issued or indorsed previous to the so-called act of secession, passed the 6th day of May, 1861.

SEC. 2. Be it enacted, That said bonds shall be dated the 1st day of January, 1866, and be payable on the 1st day of January, 1892.

SEC. 3 Be it enacted, That said bonds shall, in no event, be sold, exchanged, or negotiated, at less than their par value; but they may be exchanged for the interest coupons bonds hereby provided to be paid, estimating each at their par value.

SEC. 4. Be it enacted, That the amount of interest now due, or that may become due by Jan. 1, 1866, by any railroad company to the State on bonds issued to or indorsed for said company, shall be charged up to said company on the same terms and conditions of the original loan under the law this is intended to amend, and the State shall have the liens upon each of said roads, their franchise and property, for the prompt and faithful payment of the principal and interest of the bonds hereby authorized to be issued to pay the interest on the bonds said company should have paid interest on, or it has under the law this is intended to amend, for the bonds issued under said law.

SEC. 5. Be it enacted, That the several railroad companies receiving aid under this act shall pay the interest on said bonds, as it matures, in the same manner and under the same rules, regulations and restrictions as they are now required to pay on the bonds issued or indorsed for them under the act this is intended to amend, commencing the payment of said interest on the 15th day of June, 1866.

SEC. 6. Be it enacted, That the law now requiring all railroad companies in this State to pay into the Treasury 2½ per cent per annum as a sinking fund on the amount of their indebtedness to the State, be, and the same is hereby suspended until Jan. 1, 1867, and said companies are relieved from the payment of the sinking fund now past due under said law.

SEC. 7. Be it enacted, That each and every railroad company in this State, who have or may receive aid under this act, or the act this is intended to amend, or any amendment thereto, shall pay to the Treasurer of the State during the year 1867, four per cent on the amount of indebtedness to the State as a sinking fund on said debt, to be paid on the bonds of the State of a like character to those issued or indorsed for said company, with the coupons on the same not matured, said payments to be made semi-annually on the 1st of April and October, and a like amount every year thereafter until the whole of their indebtedness is discharged.

SEC. 8. Be it enacted, That the Governor of the State shall, through the proper State officers, or by himself, or through such other agent or agents as he may appoint for the purpose, have the bonds hereby provided to be issued, negotiated, and the proceeds of the same applied to the payment of the interest now due, or to fall due Jan. 1, 1866, on all bonds issued or indorsed by the State, as hereinbefore provided, or exchange said bonds with the holders of said coupons, so as to pay off and liquidate said interest.

SEC. 9. Be it further enacted, That the expense of issuing and negotiating said bonds shall be paid out of any money now in the Treasury not otherwise appropriated, and the same be collected from the railroad companies in proportion to the amount issued for the benefit of said companies pro rata.

RAILROAD DEBT OF MISSOURI.

Up to 1849 Missouri had taken no part in the internal improvement movement which had swept over the new States to the east of the Mississippi. In that year the importance of a railroad connection to California, to secure our then new possession, forced itself on the public mind, and St. Louis, by common consent, was designa-

ted as the point of departure. In March, 1849, the Pacific Railroad was incorporated, and in 1851 the State, through its Legislature agreed to lend its bonds to this and other railroad companies on specified conditions. The purport of these conditions was substantially as follows: Whenever the directors of a company should give proof of a *bona fide* subscription of $50,000 by individuals, the State would issue a like amount of bonds for each subscription until the appropriation should be exhausted. To secure itself from loss, the State took a first mortgage on the franchises and properties of the several companies to which these issues were made, including the Congressional land grants.

While these issues were in progress the financial panic of 1857 supervened, and further negotiation of the bonds was abandoned. The Legislature then promptly enacted a new law to place the State credit on a firm basis. The further issue of bonds was restricted to a sum ($2,120,000) required to complete work nearly done. A tax of one mill was ordered to be levied on all assessments, and paid over to the Commissioners of the Interest Fund. These, with some other provisions, were calculated to meet the emergency; but, as events proved, were insufficient, for in 1859 through default of most of the companies the fund fell short, and the State was obliged to borrow money to meet a part of the interest then due. Such was the origin of the nine per cent. revenue bonds, which now form a part of the railroad debt of the State.

The following table shows the companies to which bonds were issued, the amount authorized and the amount issued up to the close of 1865:

Titles of Companies.	Date of Act.	Amount Authorized.	Amount Issued.
Pacific	February 22, 1851	$2,000,000	$2,000,000
	December 25, 1852	1,000,000	1,000,000
	December 10, 1855	1,000,000	1,000,000
	December 10, 1855	2,000,000	2,000,000
	March 3, 1857	1,000,000	1,000,000
South West Br'ch	December 10, 1855. March 3, 1857	4,500,000	4,500,000
Hannibal and St. Joseph	February 22, 1851	1,500,000	1,500,000
	December 10, 1855	1,500,000	1,500,000
North Missouri	December 23, 1852	2,000,000	1,950,000
	December 10, 1855	2,000,000	2,000,000
	March 3, 1857	1,500,000	400,000
St. Louis & Iron Mountain	February 23, 1853	750,000	750,000
	March 3, 1855	750,000	750,000
	December 10, 1855	1,500,000	1,500,000
	March 3, 1857	600,000	276,000
	March 9, 1859	.....	324,000
Cairo & Fulton	December 11, 1855	250,000	.....
	March 3, 1857	400,000	650,000
Platte Country	March 3, 1857	700,000	700,000
Total Railroad Bonds		$24,950,000	$23,800,000
Add Revenue Bonds			431,000
Total railroad debt			$24,231,000

It thus appears that all the companies except the North Missouri received the full amount authorized. This company failed to pay interest before the total amount was drawn, and consequently further loans were withheld by the State.

During the late war Missouri suffered largely, not only from the destruction of its railroads but also from the consequent suspension of industrial pursuits. Under such circumstances it was impossible that the companies could pay the coupons falling due semi-annually, and indeed no interest has been paid on the railroad debt since January, 1861, except by the Hannibal and St. Joseph Company which has paid promptly

On the re-organization of the State, one of the first acts of the Convention was to restore the public credit which the calamities of war had so seriously involved. To

this end an ordinance was passed April 8, 1865, (by a subsequent vote of the people made a part of the fundamental law of the State), which provided for the collection of a tax of one-fourth of one per centum on all other real estate and property, and its application to the payment of the debt and accrued interest. This ordinance indicates the policy to which the State has pledged itself. The funding act recently passed by the Legislature (a copy of which is appended), arranges the terms on which the debt is to be liquidated. We refer to this law for the details. Its chief provision is the funding of the principal of the whole debt and the interest that has accrued, and may accrue up to Jan. 1, 1868, into a consolidated thirty-years debt. The loan to the Hannibal and St. Joseph Company, however, is excepted, for the reason that the Legislature were satisfied with its ability to to protect the State from loss. The interest on the new bonds will be three per cent for the first four years, four per cent for the second four years, five per cent for the next four years, and six per cent for the next six years, and increasing one per cent every four years after. This arrangement is based on the probable proceeds of the Convention tax on an increasing valuation.

The debt thus provided for principal and interest is briefly stated in the following table:

	Principal debt.	Interest to Jan. 1, '68.	Total amount.
Pacific Railroad	$7,000,000	$2,940,000	$9,940,000
Southwest Branch Railroad	4,500,000	2,030,000	6,530,000
North Missouri Railroad	4,350,000	1,827,000	6,177,000
Iron Mountain Railroad	3,600,000	1,470,420	4,971,420
Cairo and Fulton Railroad	650,000	273,000	923,000
Platte Country Railroad	700,000	294,000	994,000
Revenue Bonds	431,000	232,630	663,630
Total	$21,251,000	$9,067,050	*$30,199,050

In the meanwhile the relation between the State and railroad companies remains undisturbed. The State lien is intact, and whatever amounts the companies may pay on principal and coupons, are to be added to the sinking fund for the redemption of the new issues. The operation of the new law consolidating the debt and graduating the interest is shown in a table accompanying the report of the committee on whose advice it was passed. In this are given the estimated valuation, revenue, interest and sinking fund yearly and the remaining debt at the close of each year for the thirty years necessary for its final extinction. We copy this table for the information of our readers.

GRADUATED INTEREST PLAN

Showing valuation, revenue, payment of interest and principal for thirty years.

Years.	Estimated valuation.	Rev'e. f'm ¼ per ct tx.	Rate of int't.	Interest to be paid.	Surp. for s'k'g fund.	Principal remain'g.
1868	$400,000,000	$900,000	3	$900,000	.....	$30,000,000
1869	428,000,000	963,000	3	900,000	$63,000	29,937,000
1870	457,960,000	1,030,000	3	898,110	131,890	29,806,000
1871	490,015,000	1,102,000	3	894,180	207,820	29,598,000
1872	524,315,000	1,179,000	4	1,183,920	†—4,920	.....
1873	561,016,000	1,262,000	4	1,183,920	78,080	29,525,000
1874	600,286,000	1,350,000	4	1,181,000	169,000	29,356,000
1875	642,306,000	1,445,000	4	1,174,240	270,760	29,086,000
1876	687,267,000	1,540,000	5	1,454,300	91,700	28,995,000
1877	735,375,000	1,654,000	5	1,449,750	204,250	28,791,000
1878	772,143,000	1,737,000	5	1,439,550	297,450	28,494,000
1879	810,750,000	1,824,000	5	1,424,700	399,300	28,095,000
1880	851,287,000	1,916,000	6	1,685,700	230,300	27,865,000
1881	893,851,000	2,031,000	6	1,671,900	359,100	27,506,000
1882	938,543,000	2,111,000	6	1,650,360	460,640	27,046,000

* From this total there is to be deducted the amount paid in coupons and bonds by the several State banks and by the late owners of the Platte County Railroad, being about $200,000.
† Deficit.

1883	985,470,000	2,217,000	6	1,622,760	594,240	26,452,000
1884	1,034,743,000	2,328,000	6	1,587,120	740,880	25,712,000
1885	1,086,480,000	2,444,000	6	1,542,720	901,280	24,811,000
1886	1,140,804,000	2,566,000	7	1,786,770	820,280	23,982,000
1887	1,197,844,000	2,695,000	7	1,678,740	1,016,260	22,966,000
1888	1,233,779,009	2,776,000	7	1,607,620	1,168,380	21,798,000
1889	1,270,792,000	2,859,000	7	1,525,860	1,333,140	20,465,000
1890	1,308,915,000	2,945,000	8	1,607,200	1,337,800	19.128,000
1891	1,348,182,000	3,033,000	8	1,530,240	1.502.760	17,626,000
1892	1,388,627,000	3,124,000	8	1,410,080	1,713,920	15,912,000
1893	1,430,285,000	3,218,000	8	1,272,960	1,945,040	13,967,000
1894	1,473,193,000	3,314,000	9	1,257,080	2,056.970	11,910,000
1895	1,517,388,000	3,414,000	9	1,071,900	2,342,100	9,568,000
1896	1,562,909,000	3,516,000	9	861,120	2,654,880	6,914,000
1897	1,600,000,000	3,600,000	9	532,260	3,067,740	2,847,000

The following is a copy of the law to which we have referred in the foregoing remarks:

AN ACT *for the Consolidation of the State Railroad Debt, to provide for the Gradual Payment of the Interest thereon, and the Funding and the Redemption of the same.*

Be it enacted by the General Assembly of the State of Missouri, as follows:

SEC. 1. To provide for the funding of the principal and interest now due and unpaid, and interest accruing up to Jan. 1, 1868, of the railroad indebtedness of the State of Missouri, the Governor is hereby directed to cause to be issued "Consolidation bonds" of the State of Missouri in sums of $1,000 each, to be dated on the 1st day of January, 1868, and payable 30 years thereafter, with coupons attached for the interest thereon, payable semi-annually, as follows, to wit: at the rate of three per centum per annum for the first four years, at the rate of four per centum per annum for the next four years, at the rate of five per centum per annum for the next six years, at the rate of seven per centum per annum for the next four years, at the rate of eight per centum per annum for the next four years, and at the rate of nine per centum per annum for the last four years.

The principal and interest coupons shall be payable at the Bank of Commerce in the City of New York, or such other bank as the General Assembly shall hereafter designate. The total amount of the consolidation bonds, so to be issued, shall not exceed $30,000,000.

The said bonds shall be signed by the Governor, countersigned and sealed with the seal of the State by the Secretary of State, and shall be registered in the office of the State Auditor and Secretary of State, and the faith and credit of the State are hereby pledged for the payment of the interest and the redemption of the principal thereof.

SEC. 2. The said bonds shall be issued for the single object of consolidating the present railroad indebtedness of the State, and shall be used only in exchange for the bonds heretofore issued by the State, as well as those guaranteed by the State in aid of certain companies, as follows: for the seven thousand bonds in aid of the Pacific Railroad Company; for the four thousand five hundred bonds in aid of the Pacific Railroad Company, for the southwest branch thereof; for the four thousand three hundred and fifty bonds in aid of the North Missouri Railroad Company; for the three thousand five hundred and one bonds in aid of the St. Louis and Iron Mountain Railroad Company; for the six hundred and fifty bonds in aid of the Cairo and Fulton Railroad Company: for the seven hundred bonds in aid of the Platte Country Railroad Company, and for the interest on all of said bonds, as aforesaid; and also in exchange for the revenue bonds now outstanding and unpaid, together with interest thereon.

SEC. 3. The holders of the bonds aforesaid shall, at any time after the passage of this act, have the privilege of exchanging said bonds and the unpaid coupons thereof, and those maturing up to and including Jan. 1, 1868, for a like amount in consolidation bonds in the manner following: the bonds to be exchanged for consolidation bonds shall be surrendered to the State Auditor, who shall cancel said bonds and coupons, and indorse each cancelled bonds with the words "exchanged for consolidation bonds," which indorsement shall be attested by the Secretary of State, and the State Auditor shall preserve and hold said cancelled bonds and coupons as evidence of the amount for which the State has a lien on the respective roads in aid of which they have been issued. The State Auditor shall deliver, in lieu of the bonds so cancelled, consolidation bonds to the full amount of said bonds and interest coupons unpaid up to and including those of Jan. 1, 1868, provided that, for any balance less than $1,000, the State Auditor shall give in exchange certificates of indebtedness which shall be convertible into consolidation bonds whenever presented in sums of not less than $1,000. These certificates of indebtedness shall be signed and sealed by the Secretary of State, and countersigned by the State Auditor, who shall keep an accurate register of all the bonds and certificates of indebtedness cancelled, and of all consolidation bonds, as well as certificates countersigned by him and delivered in exchange.

SEC. 4. To provide for the certain and prompt payment of the semi-annual interest of these consolidation bonds, a tax of one-quarter of one per centum on all real estate and other property and effects subject to taxation, is hereby levied, and shall be assessed and collected for the year A. D. 1868, and every year thereafter; and shall be sacredly applied towards the payment of said interest coupons; and any surplus remaining shall go into a sinking fund, which is hereby created, for the payment of the principal; and said sinking fund shall be invested in the consolidation bonds of the State of Missouri, but shall not be diverted or applied to any other purpose.

SEC. 5. Any sums which may be received by the State from the Pacific Railroad and the southwest branch thereof, the North Missouri Railroad and its west branch, the St. Louis and Iron Mountain Railroad, the Platte Country Railroad, the Cairo and Fulton Railroad, or either of them, whether on account of interest or principal of the debt due the State by paid

roads respectively, or of the tax provided for in the Convention ordinance of April 8, 1865, or any part thereof, or of any other tax which may hereafter be imposed, levied and assessed on any of the said railroads, and the proceeds of the sale of any of these railroads respectively, shall be deposited in the Treasury to the credit of the sinking fund, subject to the payment of interest on and redemption of the consolidation bonds contemplated by this bill, and, when any such payments are authorized to be made in the bonds or other obligations of the State, they may be made in the consolidation bonds issued under this act and in the matured coupons thereof, and be placed to the credit of the sinking fund.

SEC. 6. The foregoing section, or any part of this act, shall not be so construed as to affect in any manner the relations of those railroads to the State, nor so as to relieve the said railroads of any of their obligations to pay interest and principal for which the State holds a lien on said railroads.

SEC. 7. The privilege of bondholders to have their bonds and coupons exchanged for consolidation bonds, as provided in section 3 of this act, shall expire on the 1st day of January, A. D. 1869.

SEC. 8. The Secretary of State, Treasurer, and State Auditor are hereby authorized to employ such additional clerical force as may be necessary in the performance of the duties required of them by this act. And any other expense necessarily to be incurred under the provisions of this act shall be paid out of the Treasury, and charged to the State interest fund.

Approved March 6, 1866.

TAXATION ON NATIONAL BANKS—DECISION IN THE U. S. SUPREME COURT.

The following is the decision of the United States Supreme Court made March 26 with regard to the right of States to tax the shares of the National banks. Mr. Justice Nelson delivered the opinion of the court. The title of the cause was Adam Van Allen and others, stockholders of the First National Bank of Albany vs. Michael A. Nolan and others, Board of Assessors of the City of Albany. The opinion is as follows:

This is a writ of error to the Court of Appeals of the State of New York. The case presented is this: The plaintiffs in error are stockholders in the First National Bank in the City of Albany, and the defendants constitute the Board of Assessors of taxes in the same city. The whole of the capital stock of the bank consisted of stocks and bonds issued by the United States under various acts of Congress; and it was insisted before the Board that the shares of the bank, held by the plaintiffs as stockholders were not subject to assessment and taxation under State authority, which position was denied by the Board, and the assessment was made and the tax imposed. The case was carried to the Supreme Court of the State, and thence to the Court of Appeals, which court affirmed the authority of the Board of Assessors to levy the tax. The case is now before us under the twenty-fifth section of the Judiciary Act.

The decree of the Court of Appeals must be reversed on the ground that the Enabling Act of the State, of March 9, 1865, does not conform to the limitations prescribed by the act of Congress, passed June 3, 1864, organizing the national banks and providing for their taxation. The defect is this: One of the limitations in the act of Congress is "that the tax so imposed under the laws of any State upon the shares in any of the associations authorized by this act shall not exceed the rate imposed upon the shares in any of the banks authorized under the authority of the State where such association is located." The Enabling Act of the State contains no such limitation; the banks of the State are taxed upon their capital, and although the act provides that the tax on shares of the national banks shall not exceed the par value, yet inasmuch as the capital of the State banks may consist of the bonds of the United States which are exempt from State taxation, it is easy to see that a tax on the capital is not an equivalent for the tax on the shares of the stockholders. This is but an unimportant question, however, as the defect may be readily remedied by the State Legislature. The main and important question involved, and the one which has been argued at great length and with ability, is whether the State possesses the power to authorize the taxation of the shares of these national banks in the hands of the stockholders, whose capital is wholly invested in stocks and bonds of the United States. The court are of opinion that this power is possessed by the State, and that it is due to the several cases that have been so fully and satisfactorily argued before us at this term, as well as to the public interests involved, that the question should be finally disposed of; and we shall proceed therefore to state as briefly as practicable the grounds and reasons that have led to their judgment in the case.

The first act providing for the organization of these national banks, passed February 25, 1863, contained no provision concerning State taxation of these shares, but Congress reserved the right by the last section at any time to amend, alter, or repeal the act. The present act of 1864 is a re-enactment of the prior statute, with some material amendments, of which the section concerning State taxation is one. In organizing these banks under the act, it is made the duty of the association to deliver to the Treasurer of the United States registered bonds bearing interest to an amount not less than $30,000, nor less than one-third of the capital stock paid in, which bonds shall be deposited with the Treasurer, and by him safely kept. This provision fixes the minimum limit of the amount of the bonds to be deposited with the Treasurer, but no maximum is fixed, and the whole amount of the capital may be invested in them. On the deposit of the bonds with the Treasurer, the association is entitled to receive from the Comptroller of the Currency circulating notes of different denominations, registered and countersigned, equal in amount to ninety per cent of the current market value of the bonds so deposited. There is a limit as to the amount of the circulating currency issued by these associations, not to exceed in the aggregate three hundred millions of dollars; and this sum is to be apportioned among the several banks organized under the act. These,

notes after being countersigned, are authorized to be issued and to circulate as money, and are to be received at par in all parts of the United States in payment for taxes, excises, public lands, and all other dues to the United States, except for duties on imports, and also for all salaries, and other debts and demands owing by the United States, except interest on the public stocks, and in redemption of the national currency.

The associations also possess all the powers necessary for carrying on the busines of banking, by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt; and by receiving deposits, buying and selling exchange, coin and bullion; by loaning money on personal security; by obtaining, issuing, and circulating notes, according to the provisions of the act. The duration of the charter is twenty years. They are also made depositories of public moneys, when designated by the Secretary of the Treasury, and may be employed as fiscal agents of the government.

These are very great powers and privileges conferred by the act upon these associations, and which are founded upon a new use and application of these government bonds, especially the privilege of issuing notes to circulate in the community as money to the amount of ninety per centum of the bonds deposited with the Treasurer, thereby nearly doubling the amount for the operations and business purposes of the bank. This currency furnishes means and facilities for conducting the operations of the associations, which, if used usefully and skillfully, cannot but result in great advantages and profits to all the members of the association, the shareholders of the bank. In the granting of chartered rights and privileges by government especially if of great value to the corporators, certain burdens are usually, if not generally, imposed as conditions of the grant. Accordingly we find them in this charter. They are very few, but distinctly stated. They are, first, a duty of one-half of one per centum each half year upon the average amount of its notes in circulation; second, a duty of one-fourth of one per centum each half year upon the average amount of its deposits; third, a duty of one-fourth of one per centum each half year on the average amount of its capital stock, beyond the amount invested in the United States bonds; and fourth, a State tax upon the shares of the association held by the stockholders, not greater than assessed on other moneyed capital in the State, nor to exceed the rate on shares of stock of State banks.

These are the only burdens annexed to the enjoyment of the great chartered rights and privileges that we find in this act of Congress, and no objection is made to either of them, except the last—the limit of State taxation. Although it has been suggested, yet it can hardly be said to have been argued, that the provision in the act of Congress concerning the taxation of the shares by the State is unconstitutional. The suggestion is, that it is a tax by the State upon the bonds of the government which constitute the capital of the bank, which this court has heretofore decided to be illegal. But this suggestion is scarcely well founded, because if we were to admit, for the sake of the argument, this to be a tax on the bonds or capital of the bank, it is but a tax upon the new uses and new privileges conferred by the charter of the association. It is but a condition annexed to the enjoyment of this new use and new application of the bonds; and if Congress possessed the power to grant these new privileges, which none of the learned counsel has denied, and which the whole argument assumes, then we do not see but that the power to annex the conditions is equally clear and indisputable. The question involved is altogether a different one from that decided in the previous cases, and stands upon different considerations. The whole taxation under this act of Congress involves no question as to the pledged faith of the government. The tax is the condition for the new rights and privileges conferred upon the associations.

But, in addition to this view, a tax on shares is not a tax on the capital of the banks. The corporation is the legal owner of all the property of the bank, real and personal, and within the powers conferred on it by the charter, and for the purposes for which it was created, can deal with the property as absolutely as a private individual can deal with his own. This is familiar law, and will be found in every book that may be opened on the subject of corporations. A striking exemplification will be found in the case of the Queen vs. Armand, 9th Adolphus and Ellis, new series, 806. The question related to the registry of a ship owned by a corporation. Lord Denman observed: "It appears to me that the British corporation is, as such, the sole owner of the ship." The individual members of the corporation are, no doubt, interested in one sense in the property of the corporation, as they may derive individual benefits from its increase, or losses from its decrease; but in no legal sense are the individual members the owners. The interest of the shareholder entitles him to participate in the net profits earned by the bank in the employment of its capital during the existence of its charter, in proportion to the number of his shares, and upon its dissolution or termination, to his proportion of the property that may remain of the corporation after the payment of its debts. This is a distinct, independent interest or property held by the shareholder, like any other property that may belong to him. It is this interest which the act of Congress has left subject to taxation by the States with the limitations prescribed. That act provides as follows:

"That nothing in this act shall be construed to prevent all the shares in any of the said associations, held by any person or body corporate, from being included in the valuation of the personal property of such person or corporation in the assessment of taxes imposed by or under State authority, at the place where such bank is located, and not elsewhere, but not at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State. *Provided, further*, That the tax so imposed under the laws of any State upon the shares of any of the associations authorized by this act shall not exceed the rate imposed upon the shares in any of the banks organized under authority of the State where such association is located."

It is said that Congress possesses no power to confer upon a State authority to be exercised, which has been exclusively delegated to that body by the Constitution; and consequently that it cannot confer upon a State the sovereign right of taxation, nor is a State competent to receive the grant of any such power from Congress. We agree to this; but as it respects a subject over which the States may exercise a concurrent power, but from the exercise of which Congress in the exercise of its paramount authority may exclude the States, it (Congress) may withhold the exercise of that authority, and leave the State free to act. An example of this resolution, subsisting between the Federal and State governments, is found in the pilot-laws of the States, and the health and quarantine laws. The power of taxation, under the

Constitution, as a general rule, can as has been repeatedly recognized in adjudged cases in this court, is a condurrent power. The qualifications of the rule are the exclusion of the States from the taxation of the means and instruments employed in the exercise of the functions of the Federal Government.

The remaining question is, has Congress legislated in respect to these associations so as to leave the shares of the stockholders subject to State taxation? We have already referred to the main provision of the act of Congress on the subject, and it will be seen that it declares that "nothing in this act shall be construed to prevent all the shares in any of the said associations, held by any person or body corporate, from being included in the valuation of the personal property of such person or corporation in the assessment of taxes imposed by or under State authority." And in another section of the act it is declared that:

"The president and cashier of every such association shall cause to be kept at all times a full and correct list of the names and residences of all the shareholders in the association, and the number of shares held by each, in the office where its business is transacted; and such list shall be subject to the inspection of all the shareholders and creditors of the association; and the officers authorized to assess taxes under State authority, during business hours of each day in which business may be legally transacted."

These two provisions, the one providing that nothing in the act shall be construed to prevent the shares from being included in the valuation of personal property in the assessment of taxes imposed by State authority; and the other, providing for the keeping of a list of the names and residences of the shareholders, among other things for the inspection of the State officers, not only recognize in express terms the sovereign right of the State to tax, but prescribe regulations and duties to the associations with a view to disembarrass the officers of the State engaged in the exercise of the right. Nothing, it would seem, could be made plainer or more direct and comprehensive on the subject. The language of the several provisions is so explicit and positive as scarcely to call for judicial construction.

Then as to the "shares," and what is intended by the use of the term, the language of the act is equally explicit and decisive. The persons forming an association are required to make a certificate which will specify among other things "the amount of its capital stock, and the number of shares into which the same shall be divided," "the names and places of residences of the shareholders, and the number of shares held by each." The "capital stock" "shall be divided into shares of $100 each," "and shall be deemed personal property." The "shareholders" of the association "shall be held individually responsible, equally and rateably, and not one for another, for all contracts, debts and engagements of such association, to the extent of the amount of their stock therein at the par value thereof, in addition to the amount invested in such shares." In the election of directors, "and in deciding all questions at meetings of shareholders, each shareholder shall be entitled to one vote on each share of stock held by him." At least fifty per centum of the capital stock of every association shall be paid in before it shall be authorized to commence business," and the remainder in instalments of at least ten per centum per month, till the whole amount shall be paid. "If any shareholder or his assignee shall fail to pay any instalments on the stock," the directors may sell the stock "of such delinquent shareholder," at public auction. "No association shall make any loan or discount on the security of the shares of its own capital."

We have already referred to the lists of names and residences of "shareholders" and the number of "shares" to be kept for the inspection of the State assessors. Now, in view of these several provisions in which the terms "shares" and "shareholders" are mentioned, and the clear and obvious meaning of the term in the connection in which it is here found—namely, the whole of the interest on the shares of the shareholders—when the statute provides that nothing in this act shall be construed to prevent all the shares in said associations from being included in the valuation of the personal property of any person or corporation in the assessment of taxes imposed by State authority, can there be a doubt but that the term "shares," as used in this connection, means the same interest as when used in the other portion of the act? We think not. This is the obvious and ever-necessary meaning to be given to it.

It has been argued that the term used here means only the interest of the shareholder as representing the portion of the capital, if any, not invested in the bonds of the government, and that the State assessors must institute an inquiry into the investment of the capital of the bank and ascertain what portion is invested in these bonds, and make a discrimination in the assessment of the shares; but this is an interpolation, pure and simple, into the act of Congress. If that body had intended any such discrimination, it would have been natural and an easy matter to have said so. Certainly so great and important a change in the use of this term, if so intended, would not have been left to judicial construction.

Upon the whole, after the maturest consideration, we have been able to give to the act, we are satisfied that the States possess the power to tax the whole of the interest of the shareholders in the shares held by them in these associations, within the limit prescribed by the act authorizing their organization; but for the reason stated in the former part of the opinion, the judgment must be reversed and the case remanded to the Court of Appeals of the State of New York, with directions to enter judgment for the plaintiffs in error, with costs.

Chief Justice Chase delivered a dissenting opinion (which was concurred in by Mr. Justice Wayne and Mr. Justice Swayne), as to the power of the States to tax the shares of the national banks.

TRADE OF GREAT BRITAIN WITH THE UNITED STATES FOR 1865.

The Board of Trade returns for the year 1865 are just published, and we have prepared from them the following interesting review. The total value of exports of British and Irish produce and manufactures was £165,862,402, against £160,449,053 in 1864, and £146,602,342 in 1863. There was, therefore, an increase in the value of exports, so far as British and Irish produce and manufactures were concerned, of £5,420,000. The computed real value of the principal imports in the first eleven months was £180,820,857, against £197,448,426 in 1864, and £173,575,298 in 1863; but the market price of some of the leading articles of import—more especially cotton—was lower in 1865 than in 1864, and the quantities imported were much greater. In the eleven months ending Nov. 30, 1865, the *value* of the cotton imported was £49,294,092, against £66,991,418 in 1864, or a decrease of £17,700,000; the *quantities* imported, however, in the whole year, were 8,781,949 cwts., against 7,975,935 cwts. in 1864, being an increase of about 750,000 cwts.

According to these returns, the value of the export trade to America in British and Irish produce and manufactures, last year, was nearly five millions sterling greater than in 1864, and nearly six millions in excess of 1863. The figures stand thus:

	1863.	1864.	1865.
Northern ports	£14,799,952	£15,711,127	£20,337,017
Southern ports	43,409	87,376	400,330
Ports on the Pacific	501,031	909,502	498,443
Total	£15,344,392	£16,708,505	£21,235,790

And the following table shows the extent to which the leading articles were exported to America in each of the last three years:

DECLARED VALUE OF THE LEADING EXPORTS OF BRITISH AND IRISH PRODUCE AND MANUFACTURE TO THE UNITED STATES IN 1863, 1864, AND 1865.

	1863.	1864.	1865.
Alkali	£356,574	£284,259	£496,128
Beer and ale	33,053	43,411	55,867
Coals	170,539	129,470	119,208
Cotton manufactures—			
Piece goods	1,611,764	1,978,440	3,012,482
Thread	290,350	214,050	202,354
Earthenware, &c.	356,329	398,338	452,255
Haberdashery, &c.	665,609	761,778	987,709
Hardwares and cutlery—			
Knives, forks, &c	81,094	116,947	167,011
Anvils, vices, &c	74,895	90,506	96,806
Manufactures of silver	273,022	265,879	374,312
Linen manufactures—			
Piece goods	2,076,761	2,481,199	3,633,938
Thread	200,228	187,560	149,363
Metals—			
Iron, pig	129,063	215,429	212,566
Bar, &c.	517,697	731,805	257,541
Railroad	419,625	831,952	426,503
Castings	28,911	16,544	5,701
Hoops	191,263	222,175	119,268
Wrought	209,978	258,371	165,646
Steel, unwrought	531,249	493,344	366,004
Copper, wrought	16,347	16,426	42,404
Lead, pig	51,016	251,809	167,439
Tin plates	746,454	658,218	975,656
Oil seed	3,684	45,439	72,088
Salt	26,977	36,619	70,817
Silk manufactures	98,979	74,095	73,767
Handkerchiefs	5,946	17,270	3,436
Ribbons	24,518	28,508	40,745
Other articles	87,931	75,881	130,311
Manuf. mixed with oth. mat.	19,153	39,086	46,539
Spirits—British	14,713	11,229	16,741
Wool	38,828	16,200	31,410
Woolen manufactures—			
Cloth of all kinds	670,513	709,765	573,114
Carpets, &c.	268,218	270,442	385,841
Shawls	80,286	61,395	26,195
Other articles	2,063,690	2,058,103	3,784,391

The larger proportion of this trade was carried on during the closing months of 1865, more especially in the months of September and October, the trade of the last four months having equalled in value that of the preceding eight months. The largely augmented supply of capital necessary to conduct this suddenly increased trade, was one of the leading causes of a rapid advance in the rate of interest.

As regards the imports of cotton the figures presented are most instructive. They show that the receipts from American ports were increased to the extent of more

than one million cwts, whilst there was a falling off in the import from Indian ports of 500,000 cwts. Brazil and Egypt show an increase, and there is also an augmentation in the receipts from Mexico; but the latter are probably American produce. On the other hand, there is a diminution of about 120,000 in the import from the Bahamas, the result of the reopening of the Southern ports. Taking the bulk of the import from the Bahamas, Bermuda, and Mexico to be American cotton, the total import of American produce last year was 1,700,000 cwts., against 730,000 cwts. in 1864, or an increase of nearly 1,000,000 cwts.

The statement of imports is as follows:

IMPORTS OF COTTON INTO THE UNITED KINGDOM.

	1863.	1864.	1865.
From United States.....cwts.	57,000	126,322	1,212,790
Bahamas and Bermuda	265,816	376,047	158,607
Mexico	172,126	228,027	327,365
Brazil	201,814	339,442	494,671
Turkey	110,794	169,224	223,133
Egypt	835,269	1,120,479	1,578,912
British India	3,878,757	4,522,566	3,981,675
China	275,508	769,259	320,141
Other Countries	181,733	324,559	434,655
Total	5,978,422	7,975,925	8,731,949

In the export trade in raw cotton, there was an increase of 520,000 cwts. in 1865 as compared with 1864. The following table shows the quantities taken by the leading countries:

EXPORTS OF COTTON FROM THE UNITED KINGDOM.

	1863.	1864.	1865.
To Russia, Northern Ports.....cwts.	152,678	222,446	276,238
Prussia	99,535	15,310	60,067
Hanover	65,665	50,697	15,111
Hanse Town	419,102	512,781	714,600
Holland	400,362	414,291	431,172
Other Countries	1,017,591	969,317	1,207,356
Total	2,154,933	2,184,842	2,704,544

The total import of wheat in 1865 was 21,089,140 cwts. against 23,818,726 cwts. in 1864, and 24,573,506 cwts. in 1863. The decrease, last year, therefore, notwithstanding that there was a falling off in the receipts from the United States of nearly 7,000,000 cwts., was confined to 2,300,000 cwts. As will be seen from the accompanying statement, the deficiency in the import from the United States has been made up in some degree, by augmented receipts from Russia, Prussia and France. Of flour France shows an increase of 2,800,000 cwts., whilst there is a decrease in the import from the United States of 1,500,000 cwts. The following is the statement:

IMPORTS OF BREADSTUFFS INTO THE UNITED KINGDOM.

Corn.	1863.	1864.	1865.
From Russia.....cwts.	4,560,352	5,139,495	8,160,241
Prussia	4,432,008	4,950,304	5,426,508
Denmark	373,689	730,332	647,056
Schleswig, Holstein, and Lauenburg	183,374	273,159	255,251
Mecklenburg	385,602	670,403	649,771
Hanse Towns	320,638	500,050	491,510
France	147,997	591,439	2,266,471
Wheat.			
Turkey and Wallachia and Moldavia	416,282	475,361	575,104
Egypt	2,325,414	366,968	10,068
United States	8,819,139	7,955,379	1,183,689
British North America	2,126,241	1,236,088	207,316
Other Countries	482,726	429,848	1,116,160
Total	24,573,506	23,818,726	21,089,140
Indian Corn or Maize.			
Total from all Countries	12,774,460	6,313,366	7,139,943

Flour.			
Hanse Towns	308,706	333,094	250,917
France	1,971,768	1,822,032	3,058,268
United States	2,556,822	1,766,241	262,876
British North America	898,812	493,885	181,489
Other Countries	129,735	137,697	179,218
Total	5,265,843	4,552,939	3,932,768

In the total import of provisions, notwithstanding the remunerative prices obtainable on this side, there is a decrease in 1865, as compared with the two preceding years. The figures are as under:

IMPORTS OF PROVISIONS INTO THE UNITED KINGDOM.

	1863.	1864.	1865.
Bacon and Hams, cwts	1,877,813	1,069,390	713,346
Beef, salt, cwts	282,677	302,860	228,296
Pork, salt, cwts	168,939	189,411	183,155
Butter, cwts	986,708	1,054,617	1,083,717
Cheese, cwts	756,285	834,844	853,277
Eggs, No	266,929,680	335,298,240	364,013,040
Lard, cwts	530,512	217,275	136,898

The high price of meat attracted increased supplies of beasts, sheep, calves and pigs from continental ports, and stock was received during the year from nearly every country in Europe. A large proportion, however, was of inferior quality; consequently, the *weight* of meat imported was not sufficient to have any permanent influence in reducing prices—the total import being quite inadequate to feed London with a population of about three millions, for more than six months. Hence, the remaining twenty-four millions had to look to home productions for their necessary supplies of butcher's meat. The imports of cattle in each of the last three years were:

	1863.	1864.	1865.
Oxen, bulls and cows.....Number	109,653	179,507	227,528
Calves	41,245	52,226	55,743
Sheep and lambs	430,788	496,243	914,170
Swine and hogs	27,137	85,992	132,948

The return also gives the total value of the imports in 1865; these amounted to £219,751,324, against £226,161,840 in 1864, and 204,533,512 in 1863. The decline in value, however, is not the result of anydecrease in the quantities imported, but of a lower estimate of price as regards several articles, the one bearing the most importance in this respect being cotton. The following was the value of the imports of principal articles in 1863, 1864, and 1865:

COMPARATIVE IMPORTS INTO THE UNITED KINGDOM FOR THE YEARS 1863—65.

	1863.	1864.	1865.		1863.	1864.	1865.
Coffee	£4,155,029	£3,606,152	£4,604,475	Rice	1,866,109	1,809,103	1,330,941
Wheat	12,015,006	10,671,654	9,775,616	Linseed	3,372,488	3,947,221	3,983,243
Indian Corn	4,042,905	1,977,955	2,234,396	Silk: raw	9,380,758	6,336,903	10,614,648
Flour	3,522,931	2,832,200	2,622,888	thrown	93 939	123,281	127,165
Cotton	56,277,953	78,203,739	66,032,193	Silk Manufs.	3,683,752	4,493,507	4,949,710
Flax	4,271,059	5,323,053	5,369,729	Spirits: rum	581,039	489,172	674,671
Hemp	1,880,253	1,745,353	1,738,125	Brandy	1,124,824	1,505,382	893,694
Metals: Copper	1,182,177	1,024,660	1,240,728	Sugar	11,530,242	14,404,150	11,308,256
Iron	527,848	625,283	584,062	Refined	500,307	1,668,763	1,272,691
Lead	559,057	611,273	670,572	Molasses	336,628	380,085	426,171
Spelter	672,699	720,384	702,060	Tallow	2,438,613	2,077,726	3,195,282
Tin	327,234	497,328	529,803	Tea	10,666,017	9,438,760	10,044,462
Petroleum	690,648	455,913	429,999	Timber: sawn.	5,766,008	6,010,341	6,559,931
Oil: Palm	1,419,536	1,121,370	1,450,409	Unsawn	4,988,235	4,949,903	4,941,064
Olive	1,188,336	958,397	1,084,852	Tobacco: stem'd	760,407	652,542	1,133,535
Oil Cakes	676,165	828,969	859,782	Unstemmed	1,722,571	1,997,467	1,569,707
Provisions:				Manufactured and Cigars	542,866	799,239	547,235
Bacon	2,365,726	1,911,201	1,886,487	Wine: red	1,401,703	1,428,827	1,660,214
Butter	4,537,157	5,652,704	5,945,884	White	3,095,640	3,574,057	2,353,982
Cheese	1,886,897	2,176,248	2,463,299	Wool	11,465,257	15,162,361	14,528,770
Rags	592,785	693,393	655,581				

FENIANISM AND BRITISH CONFEDERATON.

The celebration of the anniversary of St. Patrick this year was marked by more than usual enthusiasm. In this city many thousand persons took part in the demonstration, which was orderly and well-conducted. Our exchanges from all the principal cities afford a similar testimony. Everywhere the general sobriety and correct deportment of the men received favorable mention. The Benevolent Associations and Temperance Societies only displayed banners.

Perhaps this has been the more noticeable this year, because of the lively apprehension existing in the British North American provinces of a general uprising of the Irish population. The fabulous dimensions of the Fenian organization, the large amounts of money said to have been contributed from Canadian towns for its maintenance, and possibly the stings of a guilty conscience, had excited general alarm. The military were placed in guard of the public buildings and property at Ottawa, lest some ferocious "Head Center" should seize them, and proclaim liberty throughout the Canadas to all their inhabitants.

How much real occasion there was for all this excitement is somewhat ludicrously set forth by the public journals. Despite all the notifications there were none even of the displays, heretofore frequent, of banners and devices reflecting upon the English government. Nowhere did a Fenian circle, as such, mingle in the processions, and whatever members of the order did testify their regard for the Saint and his anniversary, did so in other capacities. Canada was as safe as Boston or New York; and the archives at Ottawa remained as undisturbed as the assets and notes of the Bank of England, when a guard was placed over them to keep them from being seized or destroyed by the Great Comet.

It may be imagined by some timorous persons that this very quietness of the Fenians is indicative of coming peril. The clergy have declared against the organization, which may be a reason for its non-appearance at the annual religious demonstration. So have the "Orangemen," who have formed in this city a military association to oppose the Fenians and the Roman Catholics, and established branches in the principal up town wards. Hence, if the hostility of the Church is sincere, these aspiring liberators of Ireland may actually be exercising themselves between the upper and nether millstones.

Nevertheless, we do not marvel at the manifestations of fear exhibited throughout the British provinces. The aid and comfort extended to piratical adventurers during the late war in the United States; the general disposition to cast discredit on the cause of the Union and the policy of the Government, would naturally lead to the expectation that Americans, acting in a retaliatory spirit, would encourage the effort of the Fenians, or other liberators to set up revolt in her Majesty's possessions. Having behaved ungenerously towards us, they suppose that our people cannot view their calamities with commiseration.

We suspect, however, that a deeper motive may lie within the secret counsels of the British Provincial authorities. Many circumstances appear to favor the impression that a purpose exists which all these popular movements are made to aid and further. A Confederated North American Empire, we all know, has been a favorite project. Many agencies have been in operation to retard its successful accomplishment. The Reciprocity Treaty affording the facilities of commerce with the United States, equal almost to those which would have been enjoyed if the provinces had been a component part of the American Union, prevented the development of any general desire for consolidation. The suspicion has accordingly been entertained, not altogether without reason, that the Canadian agents at Washington a few weeks ago had no earnest desire to negotiate a new commercial treaty. Probably the failure was not all the fault of our Government. It would have been wiser, we are of opinion, to have conducted negotiations to a successful issue; but, with a large majority against the measure in Congress, and insincerity on the part of the Canadians, it was not so easily to be done. The overthrow of Reciprocity will henceforth be a plausible argument for a British Confederation, and the establishment with it of a great commercial entrepot on the St. Lawrence River.

The expense of an imperial viceroyalty would not, however, be very attractive to the farmers of the provinces. Neither Quebec nor Montreal could become a metropolitan town like New York without more population and more commercial facilities. At present the young men of Canada are disposed to emigrate to the United States, leaving the old men for subjects of her Majesty. A canal system and railways will be necessary, and require large outlays of capital for their construction. The prospect of speedy returns are not sufficiently promising to attract the favorable consideration of capitalists; and the debt of the Canadas is too large and formidable to warrant large outlay for internal improvements. What New England or New York can do is not a criterion for the provinces. The Queen's agents are sagacious enough to perceive this.

The threatened Fenian imbroglio comes to them therefore with a secret gratification. What motives of commercial and pecuniary interest were insufficient to effect the urgent consideration of provision for general safety may be able to accomplish. A general uprising of the Irish population, aided by an army of auxiliaries from the United States, would necessitate a consolidation of power, and prove a strong if not an unanswerable argument in favor of confederation. But whatever hopes or apprehension existed have not been realised. The anniversary of St. Patrick, which had been indicated as the period for a simultaneous movement, has passed away like all its predecessors. No foundation appears to have existed for the received opinion that an attempt against Canada had been contemplated.

This is a fit time to reflect upon the actual probabilities of a Fenian Revolution. The summary measures taken by the British Government with the associates of Stevens are evidence that no blank cartridges will be employed in any effort to suppress revolt. The British Lion, like Leviathan, has a heart hard as the nether millstone. The assizes at Carlisle, in 1745, and the recent barbarities of Governor Eyre are proof that its nature has undergone no change. The very semblance of an uprising, or even of a conspiracy in Ireland, would be followed by a chastisement so severe as to

induce the most thorough as well as speedy penitence. Beside the British Government is forewarned, and the discontented Fenians know well what that means.

A candid view of the matter, however, will resolve whatever sympathy may be entertained for the movement for liberation. The good sense of mankind has accepted as a maxim that a government generally beneficial in its operations, though occasionally oppressive in its requirements, should not be opposed or changed without weighty considerations. The dominion of the British Government in Ireland is entitled to this argument. There has been for many years a tendency to mitigate the evils incident to its administration over a people different in race and religion. The right of sufferage is enjoyed in Ireland as freely as in England. The support of the National Church Establishment is no more burdensome on Irish Catholics than it is on English Dissenters; and it is very possible that before many years even this burden will be alleviated. The Union placed the two countries upon terms of equality, and its operations have become steadily more beneficial to each. There is no more security for life and property than was ever before enjoyed in Ireland, and the Government of the United Kingdom are evidently determined that the present state of things shall continue.

The folly of the proposed liberating movement is manifest. There is no grievance to be redressed which is considerable enough to demand an appeal to arms and the overthrow of a government. Persistence in demanding reformatory measures will eventually secure them without recourse to violence. As for the possibility of successful revolution through the agency of the Fenians, the idea is too absurd to be entertained. The "Neptune Circle" which has been commanded by Mr. O'Mahony, will hardly be able to assemble a fleet capable of sailing the Thames to dictate terms of pacification from London to all the British Empire. Even the revolutionary party of England would long hestitate before casting their fortunes with a swaggering madcap adventurer from this country, or such a wretched poltroon as James Stephens.

The value of the bonds of the Fenian Republic will long continue to be hypothetical, having no basis but the faith of the persons so weak as to receive them. They will never be redeemed at the Bank of England or upon the College Green. The money realised upon them will be expended for other purposes than the invasion of England or the liberation of Ireland. We would counsel our adopted citizens to make a wiser investment of their means than in such worthless paper. Every dollar paid for these bonds is lost as irrecoverably as though it had been sunk in mid-ocean. The fate of the men who followed the banners of the Stuarts in 1715 and 1745 should convince them of the impossibility of success. Better by far to direct their industry and enterprise for honorable competence in the land of their sojourning and the home of their children, than to dissipate their modest gains to further utopian adventure or maintain in affluence a horde of unprincipled men.

ARRIVALS OF SHIPPING AT NEW YORK IN 1865.

The annexed statement shows the number of arrivals of merchant vessels at this port from foreign ports, from January 1st to December 31, 1865, inclusive, the class of vessel, and their natonality as represented by their flag:

FROM FOREIGN PORTS.

Nations.	Steamers.	Ships.	Barques.	Brigs.	Schrs.	Total.
U. S. of America	157	260	333	345	448	1,543
Great Britain	285	114	486	1,114	604	2,553
Bremen	22	52	77	6	..	157
Italy	..	..	20	31	1	52
Denmark	..	1	8	26	5	40
Hamburg	28	20	14	11	1	74
Russia	1	1	6	4	..	12
Netherlands	..	..	14	8	5	27
Prussia	..	5	11	3	1	20
France	9	4	9	7	2	31
Norway	..	2	9	8	..	19
Sweden	..	..	5	12	1	18
Hanover	..	7	6	8	..	21
Austria	..	2	2	4	..	8
Mecklenburg	..	2	5	1	..	8
Portugal	..	5	3	11	1	20
Oldenburg	..	..	2	4	..	6
Spain	1	2	4	9	..	16
Belgium	..	1	..	1	..	2
Argentine Republic	..	1	9	2	..	12
Brazil	..	..	..	9	..	9
Venezuela	..	..	..	7	..	7
New Granada	1	..	..	2	1	4
Columbian	..	..	..	1	..	1
Sicilian	..	..	1	1		2
Total	454	479	1,024	1,635	1,070	4,662

The following tab'e shows the arrivals at this port in 1865, of vessels engaged in the coastwise trade, including transports and prizes:

COASTWISE.

	Steamers.	Ships.	Barq's.	Brigs.	Schrs.	
January	96	9	13	13	188	
February	81	5	9	11	174	
March	98	9	12	15	529	
April	119	9	11	19	411	
May	120	12	18	26	477	
June	145	15	12	20	402	
July	169	8	7	11	530	
August	176	2	6	28	584	
September	158	6	16	22	620	
October	160	3	10	29	758	
November	125	4	16	53	595	
December	157	3	14	57	512	
Total	1,604	85	144	299	5,840	
Whole number as above						7,972
Which added to the foreign						4,662
Makes a total for 1865						12,634
Whole number 1864						12,825
Decrease						191

ARRIVALS.

	Foreign. All classes.	Coastwise. All classes.		Foreign. All classes.	Coastw'e All cla's.
1865	4,662	7 972	1860	4,424	8,445
1864	4,841	7,931	1859	4,027	7,809
1863	5,082	7,984	1858	3,483	7,243
1862	5,458	7,148	1857	3,902	6,097
1861	5,095	6,977	1856	3,809	6,109

The following table shows the extent of the shipments of bullion and specie to the East, through Alexandria, in each of the last five years, and also the amount of India Council bills drawn during the same periods. The figures show a large diminution in the drain to the East, but at the same time represent a heavy amount. In 1861, the total shipped was £10,144,149. whilst the bills drawn by the Indian Council were to the extent of only £135. The heaviest year is 1864, in which the shipments reached £24,318,189, whilst the bills drawn were to the value of £7,798,974. Closely approximated this is 1863, he total shipments and bills drawn being about £32,320,000. The figures are as follows:

Shipped to	1861.	1862.	1863.	1864.	1865.
SUNDRY—Gibraltar, Malta & Suez	£2,145	£7,000	£2,828	£8,748	£44,514
ALEXANDRIA	698,541	2,384,570	5,291,100	6,047,250	3,758,114
ADEN—Seychelles, Mauritius and Re-union	115,290	208,128	158,689	244,861	205,450
CEYLON—Australia	43,880	45,950	116,921	79,632	79,526
BOMBAY	5,456,684	8,843,386	10,618,501	10,113,473	5,895,356
MADRAS—Pondicherry	674 077	896,486	503,771	978,197	649,218
CALCUTTA	1,871,308	2,170,895	890,169	3,681,693	1,639,823
SINGAPORE—Penang, Batavia & Saigon	127,073	786,412	796,501	965,780	626,800
CHINA—Hong Kong, Swatow, A-moy, Foo-Chow, Shang-hae and Japan	1,222,151	2,830,477	3,076,364	2,199,156	1,034,382
	10,141,149	18,168,303	21,455,844	24,318,189	13,933,183
Per P. & O. Steamers, from Southampton.	7,632,984	11,867,667	11,398,707	8,217,123	4,177,055
Per P. & O. Steamers, from Marseilles	2,185,741	5,467,181	5,788,293	7,777,791	4,074,816
Per P. & O. Steamers, from Gibraltar, Malta & Suez	322,424	408.309	448.571	553.270	514.212
Per M. Impres. Steamers, from Marseilles	.....	425.146	3,837,273	7,770,005	5,167,100
	10,141,149	18,168,303	21,455,844	24,318,189	13,933,183

	—Amount of India Council Bills drawn during— (estimated at 20s. per rupee.)				
	1861.	1862.	1863.	1864.	1865.
On Bombay	.....	1,057.000	4,006.278	2,947.500	2,017.300
Madras	.....	215,850	380.901	346,990	397.100
Calcutta	135	2,727,500	5,479.200	4,504,484	3,869,385
	135	4,000,350	9,866,379	7,798,974	6,283,785

COMMERCIAL CHRONICLE AND REVIEW.

Publicity a necessity in our financial policy—Funding Bill—Rates of discount—Prices of American Securities at London—New York prices of Governments—Railroad Stocks—Decline in Gold—Course of Gold for month—Treasure movement—Exchange, &c.

THERE is nothing the country needs at the present moment more than a definite financial policy in regard to the movements of the Treasury. Before the passing of the legal tender act of February, 1861, the doings of the Secretary of the Treasury attracted little notice outside of a very contracted circle; it was even complained that in consequence of the Sub-Treasury arrangements the administration of the Government finances was unnaturally and mischievously separated from the monetary system of the country at large. The state of things is

much changed now. Any irregular movements of the Treasury may cause the utmost commotion and disturbance in the currents of trade, on which the well-being and the subsistance of millions depend. A greater power, a more absolute control, over the growth, the enterprise and the activity of a free people was never enjoyed by any executive than is now vested in the Treasury. Hence it is of the utmost importance that a definite policy shall be laid down for the management of the national finances, and that the nature of this policy shall be clearly, openly and publicly declared, so that the people may see and understand at every step how their monetary affairs are being conducted,

Publicity is the condition of responsible Government, the bulwark of a free people, the safeguard of republican institutions. In all matters of internal administration, and especially in finance, the doings of Government officers should in time of peace be open as the day. During the war secrecy was necessary in many affairs, and we fell insensibly into the habit of secrecy in many other points of Government administration where it was less necessary. But now, with the return of peace, we come back to the normal state of things, of which, as we said, publicity is the indispensable condition. We have no enemies of the Government to oppose, to crush down, to restore to obedience and to equal laws. All our people, from the lakes to the gulf, and from the Atlantic to the Pacific are one homogeneous, indefatigable army of workers. All citizens are members of the great, rich, growing, mercantile and industrial firm whose territory reaches from sea to sea, and whose finances are of paramount interest to every citizen.

But publicity is especially necessary now, on account of the state of the currency. Every one acquainted with the alphabet of financial science knows that the value of an irredeemable currency is regulated by the law of demand and supply. Let the supply be redundant and the value is depreciated. Allow us to regulate the supply of paper money in a country which is just leaving the solid basis of specie payments, and you confide to our hands the power to fix or perturb prices just as we think proper; because we can keep steady, or we can disorder the value of the dollar at will, making it worth less or more as our caprice, or our interest, or our errors may prompt. Suppose, in the case we have suggested, it is our pleasure, or our misfortune, to increase unduly the supply of currency, what is the consequence? The paper dollars will lose part of their purchasing power. The currency will be diluted throughout the country. As water poured into a pipe of wine impairs every drop of the liquor, so our superfluous issues of currency reach every part of the current of the circulation, and diffuse a taint through the whole.

What follows when the currency is diluted: First prices begin to rise. But the rise is not seen every where in equal degrees, or at the same time. Objects of the greatest mobility float soonest in a freshet; and under the influence of a flood of redundant paper money the most sensitive objects start first. Wholesale prices are apt to rise before retail prices and in undue proportion thereto. The prices of foreign goods rise before domestic goods, because the perturbation of the currency reflects itself in the foreign exchanges. Usually, however, gold starts up first of all; then stocks and negotiable securities, then commodities; according to their various degrees of mobility; and last of all real estate. This

has been our experience during the inflation period, extending over the last four years, it has been the experience of every country that has been cursed with a depreciated redundant paper money.

Another consequence of the depreciation of the currency is an increasing "ease in money." This is the popular way of saying that loanable capital is plentiful, that the owners of that capital are willing to lend it on low interest, and that borrowers, consequently, can get accomodation on easy terms. This state of things is only temporary, but it serves while it lasts to aggravate the evils of speculation. Now let us reverse the picture. After expansion let sudden and severe contraction come. Prices fall; money grows tight, capitalists being timid and unwilling to lend; needy people are in difficulties; those who have been trading beyond their means are left high and dry, like fish that have ventured too far out at flood tide; business is stagnant; commercial and industrial enterprise are paralysed. If the contraction be very sudden and very severe a panic ensues, and the violent rebound of such a financial revulsion is usually disastrous in proportion to the extent of the antecedent inflation.

It is true that contraction of the currency can be made without these evils. We have proved this. For the first time in the history of finance, an inflated currency has been reduced without producing confusion in the money market, or distress among the mercantile interests. The work was accomplished by means of the coupound interest notes which will hereafter be looked upon and cited in history as the most ingenious, gentle, skilful, and effective machinery that ever the wit of man contrived for the purpose. These compound notes have now almost ceased to do duty as active currency. As there are 174 millions of them out, the volume of the circulating medium has been reduced to that extent. But so gentle was the process that general prices fell gradually, and almost imperceptibly to the masses of the people, and so equally was the resulting pressure on the money market diffused and distributed, that public confidence was rather benefited than injured, as is evident from the fact that during the very time while it was going on, we negotiated heavier government loans than were ever made in the same period of time by any country in the world. In the twelve months ending 30th June, 1865, the receipts of the Treasury for loans were no less than $1.475,579.740, which is a greater sum than the entire floating debt which some of our financial men are so fearful that we cannot deal with in the next three years of peace.

From what has been said, it is evident that contraction of the currency may be well done, or it may be clumsily done, and that it cannot be well done except it is done with publicity, so that the whole nation, whose property the currency is, and who have daily to use it for the most important operations of their daily life, may know exactly day by day what is doing with it; and what changes, if any, it is receiving. The power of contracting the currency is of the most tremendous extent. It enables its possessor to touch every man's livelihood, to shrink every income or accumulated store of wealth, and to change the terms of existing contracts.

The Funding Bill, which has passed the House, and is now before the Senate, makes but little change in the conditions under which the Secretary of the Treasury is authorized to sell bonds and fund outstanding obligations, by the

existing acts of Congress The clause, however, which recognizes this principle of publicity. and requires that all the particulars shall be communicated relative to negotiations of Government securirities is highly approved. Congress will meet again within eight months, while none of the floating debts of the Treasury will mature for sixteen months, except such as can easily be provided for; the opinion is gaining ground that the best way of managing the finances will be to leave the floating debt to take care of itself until another session. By that time the country will have had time to take breath upon the prodigious exertions of the war, and we shall be able to negotiate war bonds to much better advantage than now. Moreover, if things are favorable and our national affairs progress as we fervently hope and pray that they may, the credit of the Government will receive such an impulse that we may in a year's time be able perhaps to negotiate a five per cent. bond at as good a price as we could get for our six per cents to-day. In other words, in that case our long five per cents will sell at par, and our six per cents at 110 exclusive of interest. At present, therefore, we should not borrow nor trouble with regard to our short obligations, but give our attention exclusively and without hinderance to the reform of our currency. This work is more pressing than the other, and, indeed, cannot, without serious injury, be postponed.

The rate of interest has continued without any violent fluctuations—the last three weeks, however, exhibiting increasing ease. The following are the rates during the month:

RATES OF LOANS AND DISCOUNTS.

	March 2.	March 9.	March 16.	March 23.	Mar. 30.
Call loans	6 @ 7	6 @ 7	5 @ 6	5 @ 6	5 @..
Loans on Bonds and Mortgage	6 @ 7	6 @ 7	6 @ 7	6 @ 7	6 @ 7
A 1, endorsed bills, 2 ms	7 @ 8	7 @ 8	7 @ 7½	7 @ 7½	6½@ 7½
Good endorsed bills 3 & 4 mos	7½@ 8	7½@ 8	7½@ 8	7½@ 8	7 @ 8
" " single names.	8½@10	8½@10	9 @10	9 @ 0	9 @10
Lower grades	10@18	10@18	10@18	10@15	10@15

Government bonds have exhibited great strength through the month. Prices in London have risen steadily. closing on the 17th of March, the latest dates, at 72 for five-twenties. Below we give the prices of five twenties and certain railroad stocks at London each day to March 17:

PRICES OF AMERICAN BONDS AND RAILROAD SHARES AT LONDON.

	Week ending Feb. 17.						Week ending Feb. 24.					
	Mon	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5'20's, '82	67¼	67¼	67¾	68¼	68⅝	68⅛	68¾	68⅜	68⅝	69⅝	69¾	69¾
Atlan. & G. West, N. Y. section, 1st mort, 1880, 7 per cent	74	74	74	....	75	75	74	74	74	74	74	74
Erie shares, $100	51¼	51¼	51¾	52⅞	53⅛	53	52⅝	53⅜	53¼	53⅝	53⅛	53⅞
Illinois Cen., $100 shares	74½	74½	74½	75½	76⅛	76½	76¼	76⅜	76½	77¼	76⅛	76¾
N. Y. Cen., $100 shares	61	61	61	....	....	62¾	60	60	70	60	60	60

	Week ending March 3						Week ending March 10					
	Mon.	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5-20's, '82	70	70¼	71	71½	70¾	70¾	70½	70¼	70½	70½	70½	70½
Atlan. & G. West., N. Y. section, 1st mort, 1880, 7 per cent	....	74	74	74	75	74	74	74¾	74¾	73½	74	74
Erie shares, $100	54¼	54¼	55¼	55¼	55	55	54½	53½	53⅞	53⅝	54	54
Illinois Central, $100 shs.	77¼	77¾	78¾	78¾	78¾	78½	77¾	77¾	77¾	78	78	78
N. Y. Central, $100 shares	.....	60	60	60	60	60	60	60	60	60	60	60

	Week ending March 17					
	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5-20's, 1862	70⅝	70⅝	71⅛	71⅞	72⅛	72
Atlantic and Great Western, New York section, 1st mortgage, 1880	73	73	73	74	73	73
Erie shares, 100 dollars	55⅜	55⅜	56⅜	58⅜	57⅛	57
Illinois Central, 100 dollar shares, all paid, 10 p. c.	78⅜	78	79⅜	80⅜	81	80⅜
New York Central, 100 dollar shares	60	60	60	60	60	60

Notwithstanding the fall in gold, the prices of Governments have risen from one to two per cent. through the month. We give our usual table below :

PRICES OF GOVERNMENT SECURITIES, MARCH, 1866.

Day of month.	6's, 1881. Coup.	6's, 1881. Reg.	6's, 5-20 yrs. Coup.	6's, 5-20 yrs. Reg.	5's, 10-40 yrs. Coup.	5's, 10-40 yrs. Reg.	7-30's, 1867.	1 y'r certif.
Thursday .. 1	104¼	.....	103⅝	.....	90⅞	....	99⅝	98⅞
Friday 2	104¼	104¼	103¾	.....	90⅞	....	99¼	98⅞
Saturday... 3	104⅜	104¼	103	.....	90⅝	....	99⅝	....
Sunday. ... 4	.....	.....	.....	.....	.....	.....	.....	.....
Monday.... 5	104⅜	104⅜	103	.....	90⅝	90½	99⅝	99
Tuesday ... 6	.....	104⅜	103⅜	.....	90⅛	....	.....	....
Wednesday 7	.....	104⅜	.....	103¼	90	....	99⅝	....
Thursday .. 8	.....	104¼	103¼	.....	90⅜	....	99½	99
Friday..... 9	104⅜	104⅞	103⅜	.....	90⅞	....	99⅝	....
Saturday...10	104⅛	104¼	103	103	....	90⅛	99⅝	....
Sunday....11	.....	.....	.....	.....	.....	.....	.....	.....
Monday....12	.....	104⅜	103⅜	.....	90⅜	....	.....	99⅛
Tuesday ...13	104⅜	104⅜	103⅜	.....	90⅜	90⅞	.....	99⅜
Wednesday14	104⅜	.....	103⅜	.....	91	....	99⅞	....
Thursday ..15	....	104⅜	103⅜	.....	90⅜	....	100	99⅜
Friday.....16	104⅜	.....	103⅜	.....	90⅞	91	100	....
Saturday...17	104⅜	.....	103⅜	.....	90⅜	....	100	....
Sunday.....18	.....	.....	.....	.....	.....	.....	.....	.....
Monday....19	104⅜	.....	103⅜	.....	91	....	99⅞	....
Tuesday ...20	104⅜	.....	103⅜	.....	90⅜	90⅞	99⅞	99⅜
Wednesday21	.....	104⅜	.....	.....	90⅜	....	100	....
Thursday ..22	104⅜	104⅜	103⅞	103⅜	90⅜	....	100	....
Friday.....23	104⅞	104⅜	103⅞	.....	9 ·⅜	....	100	99⅜
Saturday...24	...	.....	103⅞	.....	90⅜	....	100⅛	....
Sunday.....25	.....	.....	.....	.....	.....	....	.....	....
Monday... 26	.....	.....	103⅜	.....	91⅛	....	100⅜	....
Tuesday...27	105	105	104	104	91⅛	91	100⅜	....
Wednesday28	105⅛	105	104⅛	.....	91⅜	....	100⅜	....
Thursday ..29	105	.....	101⅜	.....	93	....	104⅜	99⅜
Friday.....30			(*Good Friday—Holiday.*)					
Saturday...31	105⅛	.....	104⅛	....	92⅜	....	100⅛	....
Highest.....	105⅛	105	104⅜	104	93⅜	91	100⅛	99⅜
Lowest.....	104¼	104¼	103	103	90	90⅛	99⅜	98⅞

Railroad stocks during the month have been active. The abundance of money and the absence of any general falling off in the receipts of the roads during the month, a result different from what was expected, have lead to higher prices. The last week there was a slight reaction attributable to the passage of the Loan Bill in the House of Representatives. The following are the quotations for the month :

	Mar. 2.	Mar. 9.	Mar. 16.	Mar. 23.	Mar. 29.
New York Central	91½	90½	92½	93	91½
Hudson River	103½	103½	106½	108½	107½
Erie	86½	82½	83½	81½	78½
Reading	99½	97½	100	102	100½
Mich. So. and N. I.	70	74	78	82½	84
Illinois Central	115½	115½	118	117	....
Cleveland and Pittsburg	77½	76½	78½	80½	79
Chicago and N. W.	27½	25½	27	27½	....
Chicago and R. I.	105½	107½	108½	117½	117½
Pittsburg, Fort Wayne and Chicago	91½	89½	92½	92½	92½

The decline in gold has continued through the month, causing a general stagnation in business. There are, however, indications that it will not go much

lower, and there may be soon a reaction. It is a significant fact that we are continually told in the daily papers that "gold is scarce for delivery," and would seem to indicate that some secret drain has been at work, and that the plethora produced by the heavy sales a few weeks ago of Government gold is ceasing to oppress the market with an excessive supply. What amount of coin was sold by the Treasury broker we are not officially informed. It is, however, variously estimated at from fifteen to twenty millions. Another significant fact is, that the specie in our banks is steadily declining, as appears from our table in this article showing the movements of specie, although there is no export movement, foreign exchanges being in our favor.

But whether or not, gold will soon tend upwards, the idea that we are any nearer specie payments because of the decline, is amusing.

Gold is going down it is argued, therefore, the paper currency is rising in value, and the goal of resumption is in view. Just as well might you, on the hottest day of next July, immerse your thermometer in ice-water, and tell us, because the quicksilver was fallen, the heat was declining too. The cases are exactly parallel. Gold ceases to be the true measure of depreciated paper when its price is not free from foreign interference; just as the thermometer ceases to be the true register of the heat of your room when its bulb is tampered with. Hence, it was not because currency rose in value that gold recently fell, but because, by the government action, it was made to fall, in consequence of an interruption of its natural equilibrium. It is useless to try to measure the real depreciation of paper by the premium on gold, until the invading force is expelled, the equilibrium restored, and the perturbation ended.

So far from the government sales of gold helping to bring on a return to specie payments they may positively retard it. For what do we mean by a return to specie payments? Do we not mean that every paper dollar which the government has issued shall be able to command a dollar in coin? Now the government has 451 millions of greenbacks and fractional currency. Suppose, on the 1st of July next, we complete our arrangements, and try to resume. What would be the inevitable immediate result? Every greenback presented at the Treasury must command coin. Four hundred and fifty millions of paper currency issued by the government become payable in coin on demand. Gold and silver will being so pass current from hand to hand. And, just as happened in France after the revolution, the very novelty of the change, with the long habit of regarding coin as worth more than paper, will make coin for some years to be be more in demand among us than it ever was before the war. A large proportion of the 400 millions of greenbacks, will therefore, inevitably be converted into coin.

How is the prodigious demand for specie to be met, but from coin garnered up beforehand in the Treasury. Is it not evident that before we can resume two things must be done? We must draw in the redundant part of our currency, and we must have in the National Treasury a sum of gold and silver amply sufficient to pay all greenbacks on demand. Now what is the direct result of the government sales of gold but to disperse the very store of the precious metals, which is an indispensable means of resuming specie payments? Without an ample supply of specie in the Treasury to meet the greenbacks and to pay them

on demand any attempt to resume must be abortive, and would bring on such convulsions and disasters as would make the very idea of specie payments a terror for a generation to come.

Some ill-informed persons have supposed that Congress would order the Secretary of the Treasury to sell more of the gold than he has already done. There is no probability that Congress will adopt any course fraugh with such danger. Indeed it is urged that if we are to make any real progress towards specie payments the authority which the Secretary now has to sell gold should be considerably curtailed. For, on the 1st inst., the coin in the Treasury amounted only to $55,736,192, of which nearly 13 millions belonged to the holders of the gold certificates leaving only 43 millions of gold in the Treasury to meet the interest on the debt. How necessary is the keeping of this amount or more to secure the certain prompt payment of interest due to the public creditors whenever a falling off in customs duties may happen hereafter from revulsions or other causes is sufficiently seen from the fact that the gold interest on our debt now reaches the vast sum of 62 millions a year, and when the floating obligations of the Treasury are funded the annual interest to be provided for can scarcely be less than 150 millions. Surely then the Government gold should not be dispersed; it is wanted for two objects: for the sustaining of the national credit by the payment of interest, and for a basis for the future resumption of specie payments.

A superficial observer might suppose that when the Government wants gold for the purpose of resumption they can buy it. But where can gold be bought? Not in Europe? for at present a few successive shipments of gold to this country would produce a panic at the London Stock Exchange. Nor could the Treasury suddenly buy gold at home, for, though the sale of 15 millions only put the price down 10 per cent. Mr. McCulloch could not perhaps get back 5 millions of it without putting up the price to 140 or higher. The only way for piling up gold for future specie payments is to gather it in by degrees. Nor is there any fear that we shall not be able to accomplish this, for our annual gold crop is or will soon be the largest gathered by any nation in the world. In view of the rapid prospective development in the gold producing facilities of this country it cannot be doubted that gold can be hoarded in the Treasury, within a short time, until we have enough to redeem 150 or 200 millions of greenbacks, and thus resume coin payments: but will not gold become scarce while the hoarding is going on? To this we reply as we began, that gold is scarce now. If the heavy Government sales fail after a few days to relieve the scarcity complained of, will the absence of such sales produce it; Gold becomes scarce very rapidly because, from the artificial depression of the price it is selling relatively below its value. The more the depression therefore, the greater the tendency to scarcity. The Treasury could not buy back to-day the 15 millions lately disposed of without paying a much greater price than that for which it was sold. Our gold reserve is easily dispersed but, like spilled wine, it is difficult to gather up again.

Below we give the movement of gold through the month :

COURSE OF GOLD FOR MARCH.

Date.	Open'g	High'st.	Lowest.	Closing.	Date.	Open'g	High'st.	Lowest.	Closing.
Thursday..... 1	136¾	136¾	136	136	Tuesday..... 20	128¾	128¾	127½	128¾
Friday..... .. 2	135¾	136¾	135¾	135¾	Wednesday.....21	128¾	128¾	128¾	128¾
Saturday 3	134¾	134¾	133¾	133¾	Thursday.....22	128¾	128¾	127½	127½
Sunday..... 4	.....	.....	.....	.....	Friday.....23	128	128¾	126¾	126¾
Monday 5	132¾	134	132¾	132¾	Saturday 24	126¾	126¾	124¾	125¾
Tuesday 6	132¾	133¾	132¾	133¾	Sunday.....25	.....	.....	.....	.....
Wednesday..... 7	133¾	133¾	133¾	133¾	Monday 26	125¾	126¾	125¾	126¾
Thursday..... 8	132¾	132¾	131¾	132	Tuesday.....27	126¾	128¾	126¾	128
Friday..... 9	131¾	132¾	130¾	130¾	Wednesday.....28	127¾	128¾	127¾	128
Saturday 10	130¾	131¾	129¾	131¾	Thursday.....29	128¾	128¾	127¾	127¾
Sunday..... .11	.....	.....	.....	.....	Friday 30	*(Good Friday.)*			
Monday.....12	131¾	132	130¾	130¾	Saturday 31	127¾	128¾	127¾	127¾
Tuesday.....13	129¾	130¾	129¾	131					
Wednesday.....14	130¾	131¾	130¾	130¾	March, 1866..	136¾	136¾	134¾	127¾
Thursday.....15	131¾	131¾	130¾	131	" 1865.....	201	201	148¾	151¾
Friday 16	131	131	130¾	130¾	" 1864.....	159¾	169¾	159	164¼
Saturday 17	130¾	130¾	129¼	129¼	" 1863.....	171¾	171¾	139	149¾
Sunday.....18	.....	.....	.....	.....	" 1862...	102¾	103¾	101¼	101¾
Monday ... .19	128¾	129	127¾	128¾	" 1861...	100	100	100	100

The Treasure Movement at New York weekly, and the amount in Banks at the close of each week since January 1, has been as follows :

TREASURE MOVEMENT FOR 1866.

1866. week ending	Receipts. from California.	Exports. to foreign countries.	Customs receipts.	Sub-Treasury Interest payments.	Sub-Treasury Gold Certificates issued.	Sub-Treasury Certificates returned.	In banks at close of week.
Jan. 6.....	.....	$552,027	$2,107,341	$3,597,240	$3,122,440	$1,34,8882	$15,778,741
" 13.....	$685,610	640,508	2,334,694	1,130,789	3,206,180	1,578,194	16,852,568
" 20.....	799,706	685,894	2,754,369	574,162	2,706,406	1,928,641	15,265,372
" 27.....	.....	656,812	3,226,040	279,842	2,598,400	2,137,048	13,106,750
Feb. 3.....	944,878	292,568	3'347,422	115,204	2,081,280	2,221,423	10,937,474
" 10.....	1,449,074	463,409	3,251,734	120.179	1,916,700	2,376,735	10,129,806
" 17.....	.....	445,489	2,893.008	94,828	2 992,900	2,158,009	10,308,758
" 24.	1,209,048	580,195	2,608,796	119,879	5,893,280	1,995,796	14,213,351
Mar. 3.....	.....	75,458	3,386.934	1,183,843	2,125,000	2,664,934	17,131,120
" 10.	1,469,286	556,234	2,297,836	882,712	2,101.000	1,706,835	16,563,237
" 17.....	1,425,358	236,671	2,464,462	328,593	1,498,400	1,919,483	15,015,242
" 24.....	389,837	170,297	2,509,419	174,911	361,280	1,586,419	13,945,651
" 31.....	782,857	3,500	2,451,345	225,414	1,376,000	1,895,334	11,930,722
Since Jan 1.....	$8,494,606	$5,389,102	$35,632,419	$8,827,096	$31,979,26	$25,817,682	$.....

The following is an official statement of the total amount of Gold Certificates issued and redeemed up to March 21 ;

Denominations.	Issued.	Redeemed.	Outs'd'g.
20s.....	$112,660	$73,480	$39,180
100s.....	2,024,800	1,222,600	801,700
1,000s.....	8,435,000	5 871,000	2,564,000
5,000s.....	42,500,000	35,225,000	7,275,000
10,000s.....	260,000	260,000	.....
Total.....	$53,431,960	$42,752,080	$10,679,889

Our foreign exchanges through the month have ruled very decidedly in our favor. It has been a mat.er of great susprise to many that this should be the case while we were importing so largely. For instance, the total dry goods entering this port during the first three months of this year has been $45,475,871, against $11,388,924 in 1865, $30 256,895 in 1864, and $19,501,619 in 1863. Below we give the imports of dry goods at New York for the nine months for a series of years ending march 31st :

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR NINE MONTHS FROM JULY 1ST.

Year.	Value.	Year.	Value.	Year	Value.
1855-6.....	$68,184,032	1859-60..... ...	$91,860,822	1863-4	$67,181,882
1856-7.....	78,894,428	1860-1.....	76,846,495	1864-5.....	86,628,697
1857-8.....	58,690,558	1861-2	28,379,637	1865-6..... ...	112,790,905
1858-7.....	60,258,969	1862-3.....	51,065,196		

From the foregoing it will be seen how largely our dry goods imports have increased over previous years. The imports of general merchandize at this point have also increased, while the exports from New York have by no means been as large as for some previous years. The secret, however, of the present condition of our foreign exchanges lies in the large amounts of cotton we have exported from Southern ports. The total exports of cotton from the United States since September 1st now reach 915,000 bales, which, at $200 a bale, gives the United States a credit of $183,000,000. This much needed staple is also still going forward in undiminished quantities. Below we give the course of Exchange for the month:

COURSE OF EXCHANGE FOR MARCH.

Days.	London. cents for 54 pence.	Paris. centimes for dollars.	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin. cents for thaler.
1	108⅜@108¾	523¾@518¾	40⅝@40¾	78¼@78¾	36 @36⅜	71⅛@71⅜
2	108⅜@108¾	525 @520	40⅝@40⅞	78 @78¾	36 @36⅜	71⅛@71⅜
3	108⅛@108¾	525 @520	40⅝@40⅞	78 @78¾	36 @36⅜	71⅛@71⅜
4						
5	108⅝@108¾	525 @518¾	40⅝@41	78 @78¾	36 @36⅜	71 @71⅜
6	108⅜@108¾	525 @520	40⅝@40⅞	78 @78¾	36 @36⅜	71⅛@71⅜
7	108⅝@108¾	525 @518¾	40⅝@41	78 @78¾	36 @36⅜	71 @71⅜
8	108⅜@108¾	523¾@520	40⅝@40⅞	78 @78¾	36 @36⅜	71⅛@71⅜
9	108⅜@108¾	527½@520	40⅝@40⅞	78 @78¾	35⅞@36⅜	71 @71⅜
10	108⅜@108¾	527½@520	40⅝@40⅞	78 @78¾	35⅞@36⅜	71 @71⅜
11						
12	108⅜@108¾	526¼@520	40⅝@40⅞	78 @78¾	35⅞@36¼	70⅝@71⅜
13	108¼@108¾	527½@520	40⅝@40⅞	78 @78¾	35⅞@36¼	70⅝@71⅛
14	108¼@108¾	527½@520	40⅝@40⅞	78 @78¾	35⅞@36¼	70⅝@71⅛
15	108¼@108¾	527½@520	40⅝@40⅞	78 @78¾	35⅞@36¼	70⅝@71⅛
16	107¾@108¼	523¾@521¼	40⅝@40⅝	77⅝@78¾	35⅞@36⅛	70⅛@71⅛
17	107¾@108	523¾@521¼	40⅛@40⅜	77⅝@78¾	35⅞@36⅛	70⅛@71¼
18						
19	107¾@107⅞	530 @523¾	40¼@40⅝	77¼@78	35¾@36	70¾@71
20	107¾@108¼	527½@522¼	40⅛@40¼	77¼@78	35⅞@36	70⅛@70⅝
21	107¾@108	527½@522¼	40⅛@40¼	77¼@78	35⅞@36	70⅛@70⅝
22	107⅛@107⅞	530 @526¼	40⅛@40⅜	77¼@78	35¾@36	70⅛@71
23	107¼@107⅝	530 @527¼	40⅛@40⅜	77¼@78	35⅞@36	70⅛@70⅝
24	107 @107¾	530 @527¼	40⅛@40⅜	77 @77¼	35⅞@36⅛	70⅛@70⅜
25						
26	107 @107¾	530 @523¾	40⅛@40⅜	77 @77¼	35¾@35¾	70⅛@70⅜
27	107 @107¾	530 @526¼	40 @40⅜	77 @77¼	35⅛@35¾	70⅛@70⅜
28	107 @107¾	530 @526¼	40 @40⅜	77 @77¼	35⅛@35¾	70⅛@70⅜
29	106⅞@107¼	523¾@527¼	40⅛@40⅜	77 @77⅛	35⅛@35⅜	70⅛@70⅜
30		*(Good Friday—no business transacted.)*				
31	106¼@106¾	530 @527¼	40 @40⅛	77 @77⅛	35⅛@35¾	70⅛@70⅝
Mar	106⅛@108¾	530@ 518¾	40 @41	77 @78¾	35⅛@36⅜	70⅜@71⅜
Feb	107¼@108¾	532½@517¾	40⅛@41	77 @79	35⅛@36⅜	70⅛@71⅜
Jan	108 @109¼	523¾@515	40⅝@41	78 @79¾	36 @36¾	71 @71¾

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Allowing Interest on Deposits—City Deposits of Country Banks—Bank Returns of the Three Cities, &c.

Since the prodigious expansion of credits which our irredeemable paper money has developed in this country, the custom has become too general among our city banks of allowing interest on the deposits of country banks payable on demand. This practice is, on many accounts, of very doubtful expediency; and is disapproved of by some of our most eminent financial men. Among other objections it is urged that by this means small banking corporations in the country are induced to accumulate heavier balances in New York than are required to provide for their current exchanges. And the obvious result is that they are tempted to

weaken, in some cases, their home resources, which are unprofitable; in order that they may get interest on their city deposits. Undoubtedly the sound and safe policy for a country banker is to keep his city balances at no higher a point than is demanded by the claims of legitimate business. These balances form a part of the reserve required by law, which is expected to be kept unemployed and at instant call. The idea of making their reserve bear interest seems never to have entered, till recently, into the calculations of our banking institutions, who would no more have thought, in former times, of making a profit on the reserve than on the specie in their vaults. Whatever sum in excess of his wants is kept in New York by the country banker for the sake of interest, is really a demand loan; and must be subject to such risks as in time of panic or revulsion may be productive of grave anxiety or even worse trouble.

Notwithstanding these and other dangers incident to this objectionable system, there is reason to fear that it is rather on the increase; and this fact accounts in part for the accumulation of funds at the commercial centres which has often been cited as one prolific cause of sharp sudden turns in the loan market. When money is easy the city banker who has to pay interest on balances is compelled to keep his deposits constantly employed, and under the pressure of necessity he sometimes goes further than prudence would justify. Hence, when the legitimate channels of employment for capital are filled up, he is apt to be induced to make such loans or investments as would not tempt him were he exempt from the heavy charges connected with the payment of interest to his depositors.

The danger of this state of things is increased by the fact that this particular class of interest bearing deposits is peculiarly sensitive to the least fluctuation in the money market. When capital is abundant and difficult to employ to advantage, these balances increase, and the city banker incurs the heaviest charge for interest; but let fear of stringency supervene, or loanable capital become scarce, and these balances are rapidly drawn down just at the very moment when the city banker could employ them to advantage, and when he finds it most inconvenient to repay them. To such causes are to be attributed some of the severe symptoms which attend and give so spasmodic a character to most of the fluctuations which have occurred in our money market during the past two years.

As we approach specie payments the wiser banking corporations in our country towns will do well to adopt the policy of keeping within narrower limits their city deposits; and of protecting themselves from probable trouble by holding an adequate reserve in their own vaults. It is hoped, indeed, that we shall reform our currency, fund our debt, and return to a specie standard without such revulsion as has invariably attended such a process in other countries. But nothing is more certain than that if financial panics and disasters should come, the chief sufferers among the country banks will be such as by having violated sound rules relative to their reserve have failed to take advantage of the safeguards which experience has shown to be the strongest protection against such disasters.

Not much progress in multiplying National Banks has been made this year, as the limit was reached in most of the States during 1865. The circulation has

increased regularly however, until now it amounts to $264,247,170. Below we give the number, circulation and capital each week since January 1 :

Date.	Banks.	Capital.	Circulation.
January 6	1.626	407,509,203	240,094,560
" 13	1,626	407,599,203	252,926,630
" 20	1,628	407,759,203	245,866,540
" 27	1,628	407,759,203	248,734,715
February 3	1,628	407,759,203	251,360,050
" 10	1.629	407.859,203	253,116,390
" 17	1,629	407,858,203	254,903,275
" 24	1,629	407,858,203	257,072,910
March 3	1.630	407,858,203	258,432,790
" 10	1,637	409,408,203	260,556,750
" 17	1,643	409.408,203	261,638,920
" 24	1,643	409,408,203	262,816,870
" 31	1,644	.....	264,247,170

We much regret to hear that Mr. Clarke, the Comptroller of the Currency, is still in favor of the plan advocated in his last report urging the issue of one hundred millions of National Bank notes, in addition to the three hundred millions already authorized. This project we had hoped was dead. If realized it would lead us directly away from the goal of specie payments. It would render nugatory the many efforts and sacrifices which the country has already made with a view to resumption. It would raise up a barrier to our future progress toward a sound currency redeemable in coin on demand. We trust there is virtue enough in Congress to resist and put down all attempts of whatever kind to carry out a policy condemned by every acknowledged principle of conservative expediency and financial statesmanship. Since, as Mr. Clarke tells us, and as was already well known, certain States of the Union have received more national currency than the law prescribes as their equitable share, the remedy is at hand. The currency so issued contrary to the law should be called in again, and the needful amount can then be distributed where it is wanted. Let us avoid the reckless blunder of repairing a smaller evil by committing one of vastly greater magnitude.

The bank statements of the three cities show no very important changes. In New York a large amount of specie is again withdrawn although there is one export movement. Below we give the bank returns of the three cities during the year :

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs
Jan. 6, 1866...	$233,185,059	$15,778,741	$18,588,428	$195,482,254	$71,617,487	$370,617,023
" 13.....	234,938,193	16,852,568	19,162,917	197,766,999	73,019,957	608,062,837
" 20.....	239,337,726	15,265,327	20,475,707	198,816,248	72,799,892	533,949,311
" 27.....	240,407,836	13,106,759	20,965,883	195,012,454	70,819,146	516,323,672
Feb. 3.....	242,510,283	10,937,474	21,494,234	191,011,695	68,796,250	508,569,123
" 10.....	242,606,872	10,129,806	22,240,469	188,701,463	68,436,013	493,431,032
" 17.....	243,068,252	10,308,758	22,983,274	189,777,290	64,802,960	471,896,751
" 24.....	239,776,209	14,213,351	22,959,918	183,241,404	61,602,726	497,150,087
Mar. 3.....	235,339,412	17,181,130	22,994,086	181,444,878	58,760,145	536,539,959
" 10.....	233,068,274	16,563,227	23,033,237	180,515,881	64,341,802	594,204,512
" 17.....	233,517,378	15,015,242	23,303,057	185,438,707	68,402,764	579,216,509
" 24.....	234,500,518	13,945,651	23,243,406	185,868,245	69,496,033	593,448,864
" 31.....	237,316,099	11,930,393	23,736,534	188,554,593	72,158,099	529,240,640

The returns of the Philadelphia Banks have been as follows :

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866.....	$17,181,229	$45,941,001	$890,822	$7,226,369	$35,342,306
" 8.....	17,226,320	46,774,150	963,685	7,319,528	36,618,004
" 15.....	17,267,412	47,350,428	1,007,186	7,357,972	36,947,700
" 22.....	17,052,559	47,254,622	1,013,980	7,411,337	36,214,653
" 29.....	16,244,277	47,607,558	1,008,825	7,422,534	35,460,881

Feb. 3	16,481,005	47,223,661	1,000,689	7,668,365	34,681,135
" 10	16,852,737	47,249,383	996,312	7,819,599	34,464,070
" 17	16,777,175	46,981,337	953,207	7,843,002	33,926,542
" 24	17,282,602	46,865,592	1,026,408	7,732,070	33,052,252
Mar. 3	17,447,685	46,604,752	1,041,392	8,161,049	32,835,094
" 10	17,292,534	46,546,878	1,055,694	8,248,100	32,504,508
" 17	16,375,608	46,690,788	1,026,088	8,438,184	32,102,427
" 24	15,969,814	46,642,150	981,932	8,580,200	32,144,250
" 31	15,954,632	46,043,488	990,630	8,666,230	32,257,653

The returns of the Boston Banks have been as follows:

BOSTON BANK RETURNS.

(Capital Jan. 1, 1866, $41,900,000.)

	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation—National.	Circulation—State.
January 1	$91,421,477	$801,415	$19,807,300	$38,451,794	$21,497,354	$1,404,721
" 8	92,245,129	1,031,327	19,914,065	41,718,132	21,806,180	1,828,796
" 15	92,959,364	1,029,105	20,438,014	40,939,870	21,946,595	1,278,948
" 22	92,665,111	1,040,114	20,750,698	40,300,639	22,034,642	1,215,675
" 29	92,877,783	1,008,013	20,544,830	39,153,816	21,899,318	1,157,848
February 5	94,578,358	805,237	20,568,185	40,436,163	22,325,428	1,125,728
" 12	94,083,827	632,591	20,412,589	38,768,019	22,348,638	1,057,323
" 19	95,250,429	508,428	20,418,909	38,494,696	22,602,581	1,033,391
" 26	93,539,000	521,292	20,262,177	36,398,481	22,887,971	1,048,022
March 5	92,990,512	556,856	20,034,968	35,581,876	22,606,835	1,006,719
" 12	90,705,159	623,938	19,905,120	35,297,498	22,730,329	721,809
" 19	91,902,811	606,992	20,470,018	36,696,321	24,018,916	910,740
" 26	91,931,236	513,158	20,918,591	35,887,368	23,019,887	901,630

THE UNITED STATES DEBT.

DEBT BEARING INTEREST IN COIN.

Denominations.	Feb. 1.	March 1.	April 1.
6 per cent, due December 31, 1867	$9,415,250	$9,415,250	$9,415,250
6 do July 1, 1868	8,908,341	8,908,342	8,908,342
5 do January 1, 1874	20,000,000	20,000,000	20,000,000
5 do January 1, 1871	7,022,000	7,022,000	7,022,000
6 do December 31, 1880	18,415,000	18,415,000	18,415,000
6 do June 30, 1881	50,000,000	50,000,000	50,000,000
6 do June 30, 1861, exc'd for 7.30s	139,233,250	139,268,100	139,284,650
6 do May 1, 1867-82 (5.20 years)	514,780,500	514,780,500	514,780,500
6 do Nov. 1, 1870-85 (5.20 years)	100,000,000	100,000,000	100,000,000
6 do Nov. 1, 1870-84 (5.20 years)	50,590,300	61,263,000	65,175,500
5 do March 1, 1874-1904 (10.40s)	172,769,100	172,769,100	171,219,100
6 do July 1, '81 (Oregon war)	1,016,000	1,016,000	1,016,000
6 do June 30, 1881	75,000,000	75,000,000	75,000,000
Aggregate of debt bearing coin interest	$1,167,149,742	$1,177,867,292	$1,180,236,342

DEBT BEARING INTEREST IN LAWFUL MONEY.

4 per cent Temporary Loan (10 days' notice)	114,755,840	$118,577,939	$121,751,970	
5 do do do				
6 do do do				
6 do Certificates (one year)	60,637,000	62,264,000	62,258,000	
5 do One and two-years' notes	8,536,900	8,536,900	8,536,900	
6 do Three years' com. int. notes	180,012,141	174,012,141	173,012,141	
6 do Thirty-year bonds, (Cent'l Pacific R.)	2,362,000	2,362,000	2,362,000	
6 do do (Union Pacific R. E. Div.)	992,000	1,632,000	2,272,000	
7.20 do Three years' treasury notes, 1st series	200,000,000			
7.30 do do do 2d series	300,000,000	818,044,000	817,014,000	
7.30 do do do 3d series	230,000,000			
Aggregate of debt bearing lawful money interest	$1,185,428,980	$1,179,475,236	$1,186,207 011	

DEBT ON WHICH INTEREST HAS CEASED.

7.30 per cent Three-years' Notes	$233,500	$167,350	
do Texas Indemnity Bonds	665,000	618,000	$930,680
Other bonds and notes	200,880	200,630	
Aggregate of debt on which interest has ceased	$1,099,380	$985,780	$930,680

DEBT BEARING NO INTEREST.

United States Notes	$423,902,223	$423,435,373	$422,749,252
Fractional currency	26,553,244	27,523,734	28,005,452
Currency	$450,455,467	$450,959,107	$451,754,704
Gold certificates of depos't	8,391,080	12,627,600	9,665,160
Aggregate of debt bearing no interest	$458,846,547	$463,586,707	$461,419,864
Amount in Treasury—			
Coin	$51,443,162	$55,736,192	$62,069,701
Currency	56,050,186	60,282,767	60,077,680
Total in Treasury	$107,493,348	$116,018,959	$122,147,381

RECAPITULATION.

Debt bearing interest in coin	$1,167,149,742	$1,177,867,292	$1,180,236,342
Debt bearing inter'st in lawful money	1,197,295,881	1,185,428,980	1,186,207,011
Debt on which interest has ceased	1,373,920	985,780	930,680
Debt bearing no interest	458,846,547	463,586,707	460,419,864
Aggregate debts of all kinds	$2,824,391,500	$2,827,868,759	$2,827,793,896
Cash in treasury	107,493,348	116,018,959	122,147,381

LEGAL TENDER NOTES IN CIRCULATION.

One and two years' 5 per cent notes	$8,536,900	$8,536,900	$8,536,900
United States notes (currency)	423,902,223	423,435,373	422,749,252
Three years' 6 per cent compound int. notes	180,012,141	174,012,141	172,012,141
Aggregate legal tender notes in circulation	$612,451,264	$605,984,414	$603,298,293

DOMESTIC GOLD AND SILVER.

The following statement, compiled from the annual reports of the Director of the United States Mint, shows the source and amount of gold and silver of domestic production deposited at the United States Mint and Branches and Assay offices at New York and San Francisco from the first deposits to June 30, 1865:

	First dep'ts.	Bef'e 1848.	Since 1847.	Total.
GOLD.—Virginia	1829	$945,294	$614,491	$1,559,785
North Carolina	1824	5,523,005	3,609,685	9,137,690
South Carolina	1829	733,540	619,429	1,352,969
Georgia	1830	5,345,933	1,577,314	6,923,247
Tennessee	1831	62,846	18,561	81,407
Alabama	1834	155,107	45,493	200,600
Vermont	1862	....	614	614
Gold from Eastern States		$12,770,725	$6,485,587	$19,256,312
California	1848	.....	570,051,060	570,051,060
Colorado	1859	.....	11,405,321	11,405,321
Utah	1860	.....	78,559	78,559
Montana	1865	.....	1,767,382	1,767,382
Arizona	1860	.....	51,344	51,344
New Mexico	1848	.....	66,948	66,948
Oregon	1853	.....	7,268,108	7,268,108
Nevada	1861	.....	73,144	73,144
Dacotah	1863	.....	7,959	7,959
Idaho	1862	.....	7,279,840	7,279,840
Washington	1863	.....	61,260	61,260
Other sources	1849	.....	3,166,232	3,166,232
Gold from Western States		.....	601,277,157	601,277,157
Other sources		3,613	.....	.....
Parted from silver	1862	.....	2,754,844	2,754,844
Total of Domestic Gold		12,774,338	610,513,975	623,288,313
SILVER.—Nevada	1860	.....	2,597,199	2,597,199
Arizona	1860	.....	25,722	25,722
Sonora	1860	.....	1,245	1,245
North Carolina	1859	.....	41,898	41,898
Lake Superior	1858	.....	141,913	141,913
California	1862	.....	8,683	8,683
New Mexico	1865	.....	26	26
Parted from gold	1841	52,380	4,534,198	4,576,578
Silver from all sources		52,380	7,340,874	7,393,254
GOLD AND SILVER—Grand total		12,826,718	17,854,849	630,681,567

The deposits of gold and silver in each year since 1847 have been as follows:

Year ending.	Gold.	Silver.	Total.
Dec. 31, 1848	$893,005	$12,591	$905,596
" 1849	7,085,167	42,728	7,127,895
" 1850	36,937,145	270,522	37,207,667
" 1857	56,539,794	390,288	56,930,082
" 1852	54,506,108	404,494	54,910,602
Oct. 31, 1853 (10 mos.)	55,622,652	417,279	56,039,931
Sept. 30, 1854 (10 mos.)	57,257,839	328,199	57,586,038
June 30, 1855 (9 mos.)	49,351,467	333,053	49,684,520
" 1856	47,878,441	321,938	48,200,379
" 1857	23,279,962	127,256	23,407,218
" 1858	40,987,227	316,473	41,283,700
" 1859	27,213,557	273,167	27,486,724
" 1860	18 971,042	293,798	19,264,840
" 1861	84,216,889	610,011	84,826,900
" 1862	30,976,593	1,022,264	32,008,857
" 1863	20,622,806	1,057,549	21,680,355
" 1864	22,048,926	487,439	22,536,365
" 1865	26,110,578	621,824	26,732,402
Total since 1847 (17½ years)	610,513,975	7,340,974	617,854,849
Weight—lbs. avoird	2,260,180	472,588	2,682,768
" tons avoird of 2,000 lbs	1,125	216	1,341

—the weight of the dollar being in gold 25.8 grains and in silver 412 5 grains.

PENNSYLVANIA RAILROAD DIVIDENDS.

We have prepared the following statement of the dividends paid by railroads in Pennsylvania for the years 1860–65:

Railroads.	1860.	1861.	1862.	1863.	1864.	1865.
Beaver Meadow	20	10	8	22½	15	..
Cleveland, Painesville and Ashtabula	15	15	33½	23	26	35
Cumberland Valley	7½	7½	8	8	8	8
Cleveland and Pittsburg	..	..	..	4	8	4
Chestnut Hill	5	3	4	6	14	11
Delaware, Lackawanna, and Western	..	..	..	24	5	15
Delaware and Hudson Canal and Railroad	7	6½	7	8½	36½	34
Erie and Northeast	10	10	10	40	10	25
Elmira and Williamsport	..	..	..	.	5	5
do do preferred	..	..	..	..	6	7
East Mahoney	..	..	..	..	..	6
Harrisburg and Lancaster	9	14½	7	7	7	7
Huntingdon and Broad Top, preferred	..	..	..	..	3½	3½
Hanover Branch	..	..	..	..	4	..
Hazleton	6½	6½	5	8	12	10
Ironton	3	6	6	5	4	..
Lehigh Luzerne	..	2½	6	8	12	10
Lehigh and Mahoney	..	..	..	..	..	6
Little Schuylkill	..	..	..	3½	6	6
Little Saw Mill Run	4	..	..	..	..	..
Lehigh Valley	5	8	8	10	20	10
Lykens Valley	..	6	12	8	6½	4½
Nule Creek and Mine Hill	11½	14	10	10	10	10
Mine Hill and Schuylkill Haven	12	11	8½	6	7½	8
Mount Carbon	8	8	6	6	6	6
Mount Carbon and Port Carbon	11	11	12	12	12	12
Northern Central	..	..	..	..	7	8
North Lebanon	..	..	6	9	14	10
Newcastle and Beaver Valley	..	..	..	..	12	7½
Oil Creek	..	..	..	..	25	20
Pittsburg, Ft. Wayne, and Chicago	..	..	..	..	7½	10
Philadelphia and Reading	..	..	..	7	7	15
do do preferred	7	7	7	7	7	15
Philadelphia, Wilmington & Baltimore	6½	6½	9	10	10	10
Philadelphia, Germantown & Norristown	8	7	6	7½	8	8
Philadelphia and Trenton	8	8	8	10	10	10
Pennsylvania	6	6	8	9	40	10
Pennsylvania Coal	7	7	7	8½	30	32½
Schuylkill Valley	3½	2½	5½	5	5	5
Shamokin Valley and Pottsville	..	..	..	1½	3	4
Southwark	6	6	6	6	6	6
Tioga	6	6	9	7	8	8
Wrightsville and York	..	..	2	2	2	2
West Chester	4	4	4	4	..	..

FRENCH IRON CLAD NAVY.

In an account of British and French Navies furnished by Mr. Donald McKay, of Boston, to the Herald, he appends the following statement of the French Iron Clads at the present time, said to have been made up from personal inspection of the vessels:

MAGENTA AND SOLFERINO.—Displacement, 6,750 tons; 1,000 horse power; mean draught, 26 feet; length of load line, 280 feet; breadth, 57 feet; wooden hull, 4½ inch armor plating; weight of armor, 900 tons; speed in smooth water—Magenta, 13½ knots; Solferino, 14 knots.

COURONNE.—Displacement, 6,000 tons; 900 horse power; mean draught 25 feet; length of load line, 260 feet; breadth 55 feet; iron hull; 4½ and 3 inch armor plating; weight of armor, 700 tons; speed in smooth water, 13 knots.

GLOIRE.—Displacement, 5,650 tons; 900 horse power: mean draught, 25½ feet; length of load line, 255 feet; breadth, 56 feet; wooden hull; 4½ inch armor plating; weight of armor, 800 tons; speed in smooth water, 13½ knots.

INVINCIBLE.—Displacement, 5,535 tons; 900 horse power; mean draught, 25½ feet; length of load line, 255 feet; breadth, 56 feet; wooden hull; 4½ inch armor plating; weight of armor, 800 tons; speed in smooth water, 13½ knots.

NORMANDIE.—Displacement, 5,650 tons; 900 horse power; mean draught, 26 feet; length of load line, 255 feet; breadth. 56 feet; wooden hull; 4½ inch armor plating; weight of armor, 800 tons; speed in smooth water, 13½ knots.

FLANDRE, GAULOISE AND GUYENNE.—Displacement, 5,700 tons; 1,000 horse power; mean draught, 25 feet; length of load line, 260 feet; breadth, 56 feet; wooden hull; 6 inch armor plating; weight of armor, 1,000 tons.

HEROINE.—Displacement, 5,700 tons; 1,000 horse power; mean draught, 25 feet; length of load line, 260 feet; breadth, 56 feet; iron hull; 6 inch armor plating; weight of armor, 1,000 tons.

MAGNANIME, PROVENCE, REVANCHE, SAVOIE, SURVEILLANTE, AND VALEUREUSE.—Displacement, 5,700 tons; 1,000 horse power; mean draught, 25 feet; length of load line, 260 feet; breadth, 56 feet; wooden hull; 6 inch armor plating; weight of armor, 1,000 tons. The Provence has made 14 knots in smooth water.

TAUREAU.—Displacement, 2,450 tons; 900 horse power; mean draught, 16 feet; length of load line, 200 feet; breadth, 47½ feet; wooden hull; 4½ inch armor plating; weight of armor, 800 tons.

BELLIQUEUSE.—Displacement, 3,350 tons; 900 horse power; mean draught, 19½ feet; length of load line, 220 feet; breadth, 40 feet; wooden hull; 6 inch armor plating; weight of armor, 100 tons.

PAIXHANS AND PALESTRO.—Displacement, 1,540 tons; 150 horse power; mean draught, 8½ feet; length of load line, 156 feet; breadth, 40 feet; wooden hull; 4½ inch armor plating; weight of armor, 275 tons; speed in smooth water, 7 knots.

PRIHO.—Displacement, 1,500 tons; 150 horse power; mean draught, 10½ feet; length of load line, 150 feet; breadth, 45 feet; wooden hull; 4½ inch armor plating; weight of armor, 275 tons; speed in smooth water, 7 knots.

SAIGON.—Displacement, 1,500 tons; 150 horse power: mean draught, 10 feet; length of load line, 156 feet; breadth, 46 feet; wooden hull; 4½ inch armor plating; weight of armor, 275 tons; speed in smooth water, 7 knots.

EMBUSCADE, IMPREGNABLE, PROTECTRICE, REFUGE.—Displacement, 1,225 tons; 150 horse power; mean draught, 9½ feet; length of load line, 130 feet; breadth, 51 feet; iron hull, 5½ inch armor plating.

ARROGANTE, IMPLACABLE, OPINIATRE.—Displacement, 1,340 tons; 150 horse power; mean draught, 8¾ feet; length of load line, 145 feet; breadth, 48 feet; iron hull, 5½ inch armor plating. The Implacable has made 7½ and the Opiniatre 8 knots per hour in smooth water.

THE NEW ATLANTIC CABLE.

DURING the last six weeks the Atlantic Telegraph Construction and Maintenance Company have begun work in real earnest, upon the new Atlantic cable. Little had been done since the return of the expedition in August last, as there was no reason why the cable should be ready very much sooner than it will be needed. The Great Eastern still lies at her moorings in the Medway, with the remainder of last year's cable on board; and this will again be used during the present year, when that part of the cable which will have then enjoyed a twelvemonth's rest on the bed of the Atlantic will be grappled for. Captain Anderson will once more have charge of the big ship, and he will again have the invaluable assistance of Mr. Halpin, the chief officer. Mr. Canning and Mr. Clifford will be, as in last summer, in charge of the laying of the cable, and Mr. De Sau y will be again in charge of the electrical department. Thus, so far as skill goes, there is everything in favor of the success of the coming expedition, which will set sail in the beginning of June, bearing with it the good

wishes of all Europe. As at present arranged the Great Eastern will carry the new cable, will lay it to Newfoundland, will there coal and return to the mid-Atlantic, where she will, with her consorts, grapple for the lost end, the locality of which can be ascertained within a quarter of a mile through the observations taken last summer by Captain Anderson and Captain Moriarty. It is not intended that the part of the old cable which now lies in the Great Eastern's tanks shall be again stowed in her hold on the outward trip. It will be carried in another vessel until it is needed. The grappling will be done in this way. Three vessels, including the Great Eastern, will be provided with grappling apparatus. Last year, it may be remembered, the grappling was done with makeshift appliances. In fact, the grappling lines were only buoy ropes, and the swivels which broke while the cable was being hauled up were never intended to bear any such strain as that to which they were subjected. In the new grappling tackle there will be no swivels; perhaps even no shackles. Each line will be, if possible, in one piece, certainly not in more than two joined together by a strong shackle. There is, therefore, little fear that if the cable is grappled, of which there can be no reasonable doubt in the mind of any one conversant with the subject, it will be brought to the surface. And there is the more probability of this because the cable will be grappled in three places, at intervals of about two miles. One vessel will grapple, and, if necessary, cut her end by means of a steel blade set in the grappling iron; the middleship will haul up, and the third vessel will also raise the cable to lessen the strain. There will therefore be three bights on the cable, or two bights and an end, and this end will be prevented from slipping by the formation of the grappling iron in which the cable will be jammed. No one connected with the project appears to entertain the slightest doubt about the success of this section of it. When the end is recovered and a message sent through to Valentia, as a test of the electrical condition, the splice will be made with the cable now lying in the Great Eastern, and then all will be plain sailing, except in case of another accident similar to that of last year, when all would have to be done over again; but this would be the worst damage. If one grappling is successful there is no reason why a second should not be, and even a third and a fourth, if it should come to that. The laying of the old cable may therefore be considered a certainty, so far as anything about cable laying can be certain. But hope deferred will probably not make sick the hearts of shareholders beyond next July.

The new cable, which is to be laid first, is very different indeed in appearance from that of 1865. That was black, but not at all comely. This is fair to see, in point of color, but rough withal, and fibrey—to coin a word for the occasion. But, save that there is no dark composition soaked into the Manilla hemp which forms the covering of the outer wires, this cable is identical with the last. So far, however, as strength goes, the new rope will bear a strain of from 15 cwt. to a ton more than that of last year; and, as is obvious, this additional strength may just make the difference between breaking and holding, if it should unfortunately be necessary to haul back to the ship at any time. The reason why it is possible to dispense with the composition for coating is that in the new cable the outer or protecting wires are galvanized. About 160 miles of the new cable have been already made, and when all the machinery is set to work, as it

soon will be, the manufacture will proceed at the rate of 100 miles per week. By working overtime this immense speed could be nearly doubled; but, of course, overtime will be avoided if possible. In all departments of the machinery the capacity has been much increased since last year. For instance, there are double the number of tanks which hold the core of the cable; and there is one new machine which alone turns out four miles per day of completed cable.

It is unnecessary to enter at any length upon a description of the process of manufacture, as the subject has been so frequently treated; but a short summary may not be useless. The core is received from the gutta percha works on great reels, four coats of gutta percha enveloping the seven copper wires which form the conductor; and these reels are at once placed in tanks until required. An ingenious machine coats the core with Manilla hemp, prepared with a composition; and this rope is coiled away in tanks until required for the next stage. The ends of the galvanized wire for the out covering are united by scarf joints, which are cut in a die, then whipped with a smaller wire and brazed, so that the joint, if well made, becomes actually stronger than the wire. This wire is then covered with five strands of Manilla hemp, of which four tons a day, spun and reeled on the premises, are now used, and this quantity will be shortly increased. The machine which twists these strands round the wire will produce from 160 to 180 miles per day, eight or nine miles being finished by each machine in the ten hours during which the men are at work. The unfinished cable, which we left in tanks, is then put on one of the large machines, and ten strands of this Manilla covered wire are twisted round it, the spiral being one in twelve. As it leaves this machine the cable is finished, and is conducted to the large tanks in which it will be under water until it is paid out to the hulks for conveyance to the Great Eastern.

In a mile of a cable there are, therefore, besides the Manilla which holds the composition, seven miles of copper wire, four miles of gutta percha, ten miles of galvanized wire, and fifty miles of Manilla spun yarn. That is to say, again excluding the loose Manilla which laps the gutta percha, in every mile of cable there are seventy-one miles of material. Obviously in putting such a mass together the greatest care is requisite, and Mr. Clifford and his assistants at the works of the company have plenty to do in looking after the men employed. The operatives who make the joints in the wire, and those who spin the Manilla yarn, and those who attend to the machines that twist the yarn round the wire, use separate premises, and are not admitted into the works in which the core is bound with hemp and wire, and so completed. The men who coil the cable in the great tanks wear soft shoes, supplied to them by the company, and their weight has no appreciable effect upon the structure of the cable, which lies in white flakes that look not unlike ordinary Manilla rope coiled down on a ship's deck. Every working day now for three months the manufacture of the Atlantic cable of 1866 will proceed. Who is there who does not wish it success?

OIL AND COKE FROM COAL AND SLACK.

Mr. J. Nichols, of the Mineral Oil and Chemical Works, Aspull, near Wigan, England, corrects the notice of his invention which appeared in the *Mining*

Journal of January 27, as follows:—The invention is improved coke ovens, and a mode of working them, which permits of the gaseous products, now lost in the cooking of coal or slack, being collected and condensed first, as if the material was only distilled to procure oil. The production of the oil is the principal object, but not the only feature. The yield of coke is larger, and any description of coke, from soft smithy coke to hard blast furnace coke, can be produced at the will of the operator, which is in itself a very considerable advantage over those ovens at present in use. The great value of the invention is, however, the production of the oil; and the fact is apparent, when it is taken into consideration that every ton of material, whether coal or slack, used to produce coke, will yield, at a rough average, at least twenty gallons of coil oil by my invention. Were the cooking ovens of this country constructed and worked on this principal, the production of the oil wells of America would suffer by comparison with the quantity of oil that would be produced here. The cost of the erection of those ovens is but little more than of those at present in use, and their action as efficient and as expeditious. There cannot be a doubt but that if coal oil could be obtained cheaply enough, its use as fuel for steamers and for the production of illuminating gas would very soon be generally be adopted. The advantages that would accrue from such an application are too numerous to be touched upon here. By my plan I quite expect to be able, in a reasonable period, to reduce the cost of crude oil from £6 6s per ton (the present price of that distilled in this district) to 25s per ton. Of course, some time will elapse before I can induce the alteration of present cooking-ovens; but I believe it is only a question of time. As a coil oil distiller, it has for a long time been apparent to me that the present system of obtaining coal oil by distillation in retorts is not the correct one, when the vast quantities of gaseous matter hourly evolved from cooking ovens is allowed to go to waste, as it is. Several attempts have been made to collect and condense these gases from cooking ovens, but they all have failed, from the fact that they all, more or less, permitted combustion to occur in the ovens, whereas, in my ovens and my process, distillation and combustion are recognised as two different things. The charges in ovens, when undergoing distillation, produce oil. These charges, after distillation, being allowed to ignite, get converted into proper coke, and the heat generated by the combustion of these distilled charges is made the agent for the distillation of the charges in the other ovens.

THE LOAN BILL.

We give below the Loan Bill as it passed the House and Senate. Although very short it confers extraordinary power upon the Secretary of the Treasury:

AN ACT TO AMEND AN ACT ENTITLED "AN ACT TO PROVIDE WAYS AND MEANS TO SUPPORT THE GOVERNMENT," APPROVED MARCH 3, 1865:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled an Act to provide ways and means to support the Government, approved March 3, 1865, shall be extended and construed to authorize the Secretary of the Treasury at his discretion to receive any Treasury notes or other obligations issued under any act of Congress, whether bearing interest or not, in exchange for any description of

bonds authorized by the act to which this is an amendment, and also to dispose of any description of bonds authorized by said act, either in the United States or elsewhere, to such an amount, in such manner, and at such rates as he may think advisable for lawful money of the United States, or for any Treasury notes, certificates of indebtedness or certificates of deposit, or other representatives of value which may have been issued under any act of Congress, the proceeds thereof to be used only for retiring Treasury notes or other obligations issued under any act of Congress. But nothing herein contained shall be construed to authorize any increase of the public debt; provided that of United States notes not more than ten millions of dollars may be retired and canceled within six months from the passage of this act, and thereafter not more than four millions of dollars in any one month. And provided further that the act to which this is an amendment, shall continue in force in all its provisions, except as modified by this act.

SEC. 2. *And be it further enacted*, That the Secretary of the Treasury shall report to Congress at the commencement of the next session, the amount of exchanges made or money borrowed under this act, and of whom, and on what terms; and also the amount and character of indebtedness retired under this act and the act to which this is an amendment, with a detailed statement of the expense of making such loans and exchanges.

THE BOOK TRADE.

Principles of Education, drawn from Nature and Revelation, and applied to Female Education in the Upper Classes. By the author of "Amy Herbert," and other tales, etc. Two volumes in one. NEW YORK; D. APPLETON & Co., 1866.

In the preface Miss Sewell declares that the volume is the result, not of theory, but of experience, and the subject is treated in its moral rather than economical aspects. Accordingly, she views education, not as a mere training for a useful life in the world, but with reference to its harmony with the teaching of God in Nature and in Revelation. It is defined to be "the guiding, or leading of the young mind in the way which will best enable it to obey the commandments of God."

The "systematic principle" of education, however good, cannot possibly be good for all. The mode of dealing in every case must be a subject of separate study. The object is the carrying out of God's will for the individual, the purpose of which is hidden from us in His eternal counsels; but the direction in which we are to work is pointed out to us by the peculiar endowments of character and intellect with which every person is gifted.

The author treats in detail of the necessity of teaching obedience, manifesting justice in family government, the exercise of love, the utility and importance of reproof, advice, confidence, respect, truth, etc.; but the chapters on instruction in schools, governesses in families, and the training of governesses, will attract special attention, which is eminently deserved.

Training schools are suggested for national school mistresses, at which young governesses, while studying themselves, might be practically taught how to make children study. Thus they would acquire experience without risk, and be taught how to guard against their own faults. A great element in the life of

one who has to teach others, is the feeling that she can govern judiciously and instruct with interest. We are gratified to be able to remark that in this country at many of our normal schools, somewhat of this is done in training teachers for their work.

Let a foundation of obedience and self-discipline be laid in early childhood and freedom may be given in youth, and so make a child exact and perfect in its lessons when instruction begins, and as time goes on the habit of exact representation may be, in a great measure, laid aside, yet not entirely, even as obedience and external restraint may never wholly be given up. The exercise of memory should always be continued in some form.

The chapters on Love and Friendship are admirable for their practical sense. A perusal of this book by those having the care of the young cannot fail to be profitable.

Spenser's Poem, entitled Colin Clout's come home again, explained; with remarks upon the Amoretti Sonnets, &c. By the author of "Remarks on the Sonnets of Shakspeare. NEW YORK: Published by JAMES MILLER.

The theory upon which Gen. Hitchcock bases his ingenious exposition makes the poetic gift a spiritual rather than an intellectual endowment, and considers the amatory declarations of the person referred to as relating to the interior burning desire to know andpossess the Truth. The poetic Arcadia is the spiritual world. Bulwer says as much in "Zanoni" in these words—"The artist calls it the Ideal; the priest calls it Faith." Our author remarks accordingly: "In keeping with the very plain doctrine of the poem of Colin Clouts in honor of Queen Cynthia, we must be very unwilling to be convinced, or we must see that Spenser's Love was not a woman, except as she was the image of an immortal Beauty which claimed all of his devotion, but which was of such a nature that he knew the world in general would not understand if he wrote openly about it. Hence his purpose of writing in secret that is, in hermetic symbolism, which should be obscure to the world in general, but would be understood by those who belonged to the class called lovers—lovers of the Divine Beauty figured by so many poets as a lady, though seen also in man."

According to this hypothesis, the *Divina Commedia, Gierusolima Liberata,* and even the Iliad, Odyssey and Æneid, are allegories or parables, having a deep internal sense, which only those can perceive who "have eyes to see." The theory is plausible, and its application to the poems of Spenser and Shakspeare, so far as we can see, is without halting or incongruity. How large a part of our reading public are willing to give up the classical idea for the religious, and accept their conclusions, will not be difficult to estimate. But every thoughtful person can peruse this work with profit.

The Origin of the Late War; Traced from the Beginning of the Constitution to the Revolt of the Southern States. By GEORGE LUNT. New York: D. APPLETON & Co., 1866. Pp. 491.

Mr. George Lunt is well known in Boston. He was an old whig leader, and in the "Slaughter-house Convention" of that party at Philadelphia in 1848, led off the delegation of Massachusetts from the support of Daniel Web-

ster to cast the vote for Zachary Taylor. Subsequent events have thrown him pretty much out of public notice; still, however, he maintains a position among "conservative" politicians, along with such names as Winthrop, Cushing, Fillmore, Granger, and Thayer. The book has been written at a rather late period for the purposes which the author had in view, but still it gives a very elaborate exposition of the controversy which is well worth consideration.

He has endeavored to trace the anterior course of the long controversy between the North and the South, without regard to party interests or prepossessions. Slavery, he declares, though made an occasion was not in reality the cause of the war. "Self-seeking and ambitious demagogues" succeeding the wise and patriotic citizens of the former period, disturbed the equilibrium of the motion, and accomplished that calamity.

"It is the misfortune of Repubublican institutions," he remarks, "that many who have paid little attention to matters of state policy, and seem scarcely able to understand it, must pass judgment upon men of superior ability and high attainments who have made such topics the study of their lives. Hence it has happened in this turmoil of politics, that the latter have been too frequently set aside for inferior persons, and their better considered opinions disregarded in favor of those of transient Congressmen, often incapable by nature, and sometimes disqualified for calm judgment by personal habits, and of Governors of States, who ought to have remained among the governed."

Another object of this work of Mr. Lunt has been "to place in its true light the intelligent and patriotic conduct of conservative men of both great parties which took a leading part in the affairs of the country, until incidental causes deprived them of their due influence." This motive he declares was not merely to render justice to the South, but to see to the safety of the body politic. Much prominence has been allowed to the State of Massachussetts as presenting the most striking example among the several States, and being the most conspicuous of them all in pressing the claims of State rights from the earliest period. "No State has been at times more exclusive and sectional."

Politically Mr. Lunt declares his confidence in the Whig party, as transcending by far, in principles and policy, their democratic adversaries. Their position was that they could not interfere with slavery in the States; that it was imprudent to take action in relation to slavery in the District of Columbia; but that they had a perfect right to oppose the introduction of slavery into any territory of the United States already free. They were united while the democrats were divided, and, hence, were hated by the liberty party most cordially. If they had stood firmly to their original principles they might, Mr. Lunt thinks, have gained their ascendency, and saved the country from the incomparable ills with which it has been, and is likely long to be afflicted. But they became entangled in the meshes of sectionalism, and left their honorable chiefs, while the democrats showed themselves in the main, the defenders of the Constitution.

After going at great length through the details of the controversey, Mr. Lunt finally brings his labor to the following conclusions, which deserve careful attention from statesmen:

The superior power of the United States has been completely vindicated, and the South has abandoned all further purpose of resistance. The speediest pos-

sible restoration of the Southern States to equal rights under the Constitution is for the highest interest of the whole country, if the Union is to be and to remain a republic of equal rights in conformity with its own organic law. The present irregular, unequal and disorganised system of government, for the common safety, ought not to be permitted to continue for a moment longer than the most unavoidable necessity requires. The reason why restoration is delayed he attributes to ambition of a particular party for power. When the people rise above this and place the country upon the free and solid foundation of the Constitution and the Union, then only can the Republic be "Peace."

The History of Henry the Fifth; King of England, Lord of Ireland, and Heir of France. By George Makepeace Towle, author of "Glimpses of History." New York: D. Appleton & Company, 1866.

The name of Henry the Victorious has been made a household word by Shakespeare, wherever the English language is spoken. To be sure romance has often overstepped the domain of historical verity in the matter, but common readers are not particular in this respect. The House of Lancaster, to which Henry V. belonged, though it usurped the English throne, had finally succeeded in maintaining supremacy, and so historians were prone to exaggerate the virtues of the successful family, and to impute hideous vices and deformities to those defeated. The beneficent rule of the Fourth Edward and his brother Richard, who laid the foundation of the commercial greatness of England, has been overlooked, while the intolerant persecutors of the disciples of John Wickliffe have been extolled for chivalric qualities.

The biographer of Henry draws his narrative from the old chroniclers. The introduction is a brief but interesting *resume* of English history from the Crusades to the death of Richard II., the last prince of the direct hereditary line of the Plantagenets. The history of the growth of that sublime *mythos*, the English Constitution, is admirably detailed.

It was in the reign of Richard that Wickliff translated the Bible, and promulgated the doctrines which half the English people embraced, and were afterwards asserted by the iron-hearted Puritans of England. John of Gaunt, Duke of Lancaster, defended Wickliffe, while the House of Commons was largely constituted of his disciples. It is not hard to perceive why the descendants of John, having usurped the English crown, should be extraordinarily zealous to purge their skirts of the suspicion of heresy, by cruel persecutions of the very religionists whom their great progenitor favored and protected.

Mr. Towle devotes his first chapter to Jonn of Gaunt, whom he denominates "Quixote in the right place with a royal coronet upon his head." He had the power, and will, and the opportunity to be a hero. The first part of his life was consecrated to war, the latter part to wisdom. He would, in any age, have been a reformer. After a futile effort to secure for himself the crown of Castile, he devoted himself to strengthen the hoards of his royal nephew Richard II. His name here "stands with that of Wickliffe as a pioneer of Christian faith, as a champion of free conscience, as a benefactor to all the future."

The second chapter contains the history of his son, afterward Henry IV. It is full of incident, and gives much secret history of the causes of the revolt

of Bolingbroke. The advice of his uncle: "the straightest road is always the best and surest," is worth pondering. It led him to the conquest of the English throne. A Parliament was elected which required Richard to abdicate, and made Henry king. It was a novelty in the age of feudalism and primogeniture; the people had a ruler of their own choice. It is not remarkable that in his reign, which was an able and wise one, the House of Commons secured the right of freedom of debate, the right to vote money, the right to legislate, and the right to appropriate funds.

Henry V. was at once the King of France and England, and bequeathed both kingdoms to his infant son. His constitution was scrofulous, and great pains were taken in his boyhood to strengthen it by field-sports, from which arose the merry fictions of his early levity. He was almost feminine in his appearance, silent and thoughtful, and expressed his ideas with clearness and brevity. During the last years of the life of his father, prematurely old with the cares of governing, he exercised much of the regal authority. A little while there had been an ill understanding between the two, but it was reconciled. The fate of the Second Edward and the Second Richard had warned him against their errors. He was always popular. Paying the last rites to his deceased father, he also rendered the same honors to the murdered Richard II. He next lighted the fires of religious persecution, one of the most conspicuous examples of his zeal being the heyday companion of his earlier manhood, Sir John Oldcastle, whom Shakspeare afterward transferred into the obese Falstaff. He was hanged by a chain round his waist, and burned to ashes by fire kindled beneath. Henry also devoted himself to restraining the influence of the papal court in English politics.

He next began the conquest of France. The history of that campaign is familiar to all the students of history. In this volume it reads like romance. Though his army was devastated by pestilence, from Harfleur to Agincourt it won victories. Only four thousand men survived to accompany their monarch to England. A subsequent campaign was terminated by his marriage, a love affair, to Katharine, the daughter of Charles VI. The diplomacy, the secresy, and the way in which this was consummated surpass the delineations of a novel. On the morning after the nuptials he resumed the corselet, for France had been half reconquered. This was the queen whose subsequent marriage with Owain Tudor was the foundation of a new royal family. At her instance James I., of Scotland, was delivered from captivity, and married to Johanna Beaufort, the niece of the English king.

Again, the exigencies of war summoned the chivalric Henry to France, and he left England for the last time, charging his queen not to give birth to her child in Windsor Castle. An astrologer had told him that the prince born there would lose the heritage of the House of Lancaster. Katharine disobeyed him; and the hopeless Henry VI. first saw light in that fatal place. She then joined her husband, now suffering from wasted disease. In August, 1422, he died at Vincennes, in the flower of his years. No king had been more popular, or fastened absolutism more firmly upon the people.

This work of Mr. Towle will be a favorite among students of history. It may accidently glaze over the despotic acts of the sovereigns of whom it treats; but the general effect for variety and the attractive style will be to almost every reader abundant compensation.

Letters of Life. By Mrs. L. H. Sigourney. New York: D Appleton & Co., 1866.

Mrs. Sigourney is a familiar name in American households, and her productions have but recently ceased to fill the "Poet's Corner" in newspapers. It must, however, be acknowledged, from a hasty examination of these "Letters of Life," that her gift as a correspondent fully equalled her poetic inspiration. In this volume we have almost her biography, sketched out by herself, and about it nothing dry or tedious. She possessed great power of writing extemporaneously upon passing subjects at call; and as is usual when a woman steps somewhat from the accustomed circle, she was often beset for an immense number of literary contributions, such as poems for albums, letters giving information of the best boarding schools, marriage odes, reading manuscripts to see whether they should be published, obtaining teachers, writing epitaphs and puffs for an author to make his reputation by, preparing a list of female poets, punctuating manuscript, drafting a constitution for a literary society, acting as umpire to a baby show, correcting poetry, versifying a love story, etc. "If there is any kitchen in Parnassus," she declares, "my muse has surely officiated there as a woman of all work, and an aproned waiter." Her literary course had its origin in impulse, but finally became a form of subsistence. Yet she received little pecuniary advantage from it in New England. Her benefactors were principally from New York and Pennsylvania. Letters of appreciation, however, came from others, as from the King of Prussia, the Empress of Russia, and the late Queen of France.

We have glanced over the collection with interest. Each chapter is beautiful and attractive from the first—"Home and its Inhabitants"—till the last, "Good Bye." Her description of her Garden equals that of Gail Hamilton, besides having a better moral. In short, she verified her own testimony:

"I never wrote for fame—
The payment seemed not to be with the toil;
But wheresoever the kind affections sought
To mix themselves by music with the mind,
That was my inspiration and delight."

NOTE TO ARTICLE "HOW TO RESUME SPECIE PAYMENTS."

Since this article was sent to the press, my attention has been directed to a small volume entitled "A Critical Examination of Our Financial Policy,' by Simon Newcomb, in which some of the questions that I have adverted to are very clearly and forcibly presented.

Professor John E. Cairnes in a paper read before the Dublin Statististical Society, "On the Best Means of Raising the Supplies for a War Expenditure," has also treated that subject with his usual ability.

R. G. HAZARD.

CONTENTS OF APRIL NUMBER.

ART.		PAGE.
1.	How to Resume Specie Payments	250
2.	Missouri and its Minerals	263
3.	Production and Consumption of Coal	267
4.	Fire Insurance	269
5.	Analyses of Railroad Reports—No. 7	272
6.	Finances of Tennessee	289
7.	Railroad Debt of Missouri	291
8.	Taxation on National Banks—Decision in the U. S. Supreme Court	295
9.	Trade of Great Britain with the United States for 1865	298
10.	Fenianism and British Confederation	301
11.	Arrivals of Shipping at New York in 1865	304
12.	Commercial Chronicle and Review	305
13.	Journal of Banking, Currency, and Finance	313
14.	The United States Debt	316
15.	Domestic Gold and Silver	317
16.	Pennsylvania Railroad Dividends	318
17.	French Iron Clad Navy	319
18.	The New Atlantic Cable	319
19.	Oil and Coke from Coal and Slack	321
20.	The Loan Bill	322
21.	The Book Trade	323

THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

MAY, 1866.

END OF THE INSURRECTION—SOME OF ITS TENDENCIES.

THE official announcement that the process of national pacification is now completed, the condition of insurrection ended, and the late insurgent section restored to the exercise of its normal state functions, is cause for congratulation. An insurrection, and especially an unsuccessful one, is always fraught with danger to the liberties of the people; nor is the case otherwise when the outbreak happens under the government of a Republic. Extraordinary emergencies call forth large assumptions of authority; extra constitutional powers are necessarily exercised; civil law is superseded by military authority; the rights of the citizen are summarily dealt with, and every interest is held subordinate to the creation of an overwhelming military power. In short, whenever a country engages in a war, and especially in civil war, it necessarily, to a large extent, surrenders itself to a condition in which law and liberty are subordinated to force.

Thus it has been in our own case. The Administration and Congress have been driven to the adoption of measures inconsistent *in toto* with the spirit of republican institutions, and justifiable upon no other ground than that they were designed to save from destruction a grand embodiment of those institutions. Many of the jealous conservators of liberty have been alarmed at the sweeping assumption of power and in their zeal for freedom have at times appeared to be opposed to some of the measures of the Administration. If, however, they have shown less earnestness than we desired in behalf of what were deemed necessary acts, we should not forget that they have at least done good service in checking the liability to tamper with the public liberties, and have demonstrated to the world that amid the demoralizing influences of an internecine struggle we can trust to a portion of the people to keep vigilant watch upon the bulwarks of constitutional freedom.

The President's proclamation, announcing the end of the insurrection, consummates the refutation of the predictions of foreign critics who, regarding the war as putting "democracy on its trial," exultingly foretold an ignominous failure of our form of Government to sustain itself against internal outbreaks. The Union which, according to these judges, was irreparably shattered, is still "one and inseparable." That very element of *vox populi* which it was confidently affirmed would prove the source of weakness and failure, has turned out to be the rock of our strength. The proclamation proves not only that no patriotism is truer than that of a free people, no military power stronger than that of citizen soldiers, no exchequer richer than that of a people voluntarily defending their own interests, but also that a conquered faction within a republic can loyally submit when subdued, and the Government knows how to receive that submission. If the outbreak of hostilities demonstrated that popular governments, in common with more absolute forms of rule, are liable to civil disruptions, yet results have proved that under a republic such outbreaks can be vigorously repressed and the disaffection rapidly healed.

The work of restoration having been completed, the next great business of the country is to eradicate any arbitrary tendencies in legislation which may have grown out of war measures. History abundantly sustains the assertain that the most oppressive of laws have been adopted either during a state of war or immediately subsequent. Nor can our legislation, since 1861, be quoted as an exception to this rule. Military necessity has produced a partial disregard for individual liberty; to meet promptly a pressing emergency we have copied the measures of European governments; the expedients have been found to work well, and what has proved successful during a period of national peril we are now too apt to regard as good in itself and worthy of conservation. We should remember, however, that the temper and measures suited to a time of war are most dangerous and inimical in times of peace. Probably the country will suffer for years to come from measures enacted, during the last four years, not always necessary for war purposes, but which have received an infection of arbitrariness from legislation of a more specifically warlike purpose. Congress having been of necessity driven to hold individual rights in abeyance for temporary military objects, has too readily acquired a habit of treating the freedom of the citizen lightly in other matters; and this vicious tendency appears to us to taint some of the recent and current legislation.

Nothing could be more unwise than this. Is it reasonable that, after the people have so triumphantly vindicated their ability to take care of themselves under the severest and most critical of national emergencies, that Congress should enact a series of laws taking from them individual and local control, placing them under government tutelage and binding their action by uniform central regulations? In a country with such an infinite diversity of interests, few of which are fully developed and all of which are constantly changing in their requirements and modes of operation, is it to be supposed that federal laws, attempting to minutely regulate them, can operate otherwise than as an embargo upon their business? Legislators mistake their mission when they undertake to define in a set of laws the whole duty of man. The constitution of the United States approximates more closely to the *laisser-faire* principle of

government than to any other model; but the tendency of the times is to enact laws based upon the doctrine that the government should intervene for the regulation of the whole action of the citizen. It is high time this dangerous policy were checked. We say dangerous, for public harmony and the paramount interests of commerce are alike threatened by this tendency. The laws which may be harmless to one section may seriously embarrass the commerce of others, and if persistently kept on the statute book, how could they result otherwise than in grave sectional animosities? Until the war, the federal authority was confined within such narrow and harmless limits that, although really protected by an invincible government, we were scarcely conscious of its control. If the policy necessary during the war is to be perpetuated, we must henceforth be trammelled by federal regulations in every action, and hindered at every step by a government official.

Upon these considerations, we sincerely belive that our representatives will perceive that, the insurrection being declared ended, the time has come when Congress should assume no control which cannot be better exercised by it than by the States, the local organizations or the individual. We have cited no particular legislation as objectionable; for when we hear on every side that the central government should enact general insurance laws; inaugurate educational bureaus; perpetuate government interference with currency; increase the patronage of the President and the departments; and in our zeal to serve the freedman, endanger the rights of all our citizens; special instances appear to us unnecessary. Slavery, thanks to a kind Providence, is at an end in this country; we trust that the contest which has resulted in so great good, will not be the instrument for depriving us of our inherited freedom.

THE BALANCE OF TRADE AND PROTECTION.

BY RICHARD SULLEY.

In the February number of the Magazine there is an article headed the "Balance of Trade," by Charles H. Carroll; the conclusions of which are, in the main, no doubt correct, but there is one point which seems not to be in general accordance with the facts. We must, however, before noticing that part of the subject, address ourselves to the main question at issue. If the advocates of the balance of trade, and the other kindred part of the subject (protection), had not systematically closed their eyes to truth, there would have been no occasion at the present day to attempt the refutation of so absurd a theory.

A very little reflection would have served to convince them, if they could not have learned it from any other source, that no man pursues a trade or calling, for any period of time, that is unprofitable to him; for if he was ever so careless or disinterested in the matter, it is quite impossible that he should do so, as *nature* has made it imperative that he should eat, and have wherewithal to be clothed. And what is true of an individual, must be true of the mass. A nation cannot go on continually, year after year, exporting *more* in value than it imports, any more than an individual can continue to work at a calling without profit.

Two or three hundred years ago it was the practice to endeavor to pre-

vent the exportation of the precious metal, by severe and heavy penalties, and as a corollary of the system, to encourage their importation by bounties, protective duties, and other absurd regulations. A hundred years later, when the policy of the subject began to be discussed, and its reality doubted, we find a writer, as quoted by Dr. McCulloch, using the following language:

"Although a kingdom may be enriched by gifts received, or by purchase taken from some other nations, yet these are things uncertain, and of small consideration when they happen. The ordinary means, therefore, to increase our wealth and treasure, is by foreign trade, wherein we must ever observe this rule—to sell more to strangers yearly than we consume of theirs in value. For suppose, when this kingdom is plentifully served with cloth, lead, tin, iron, fish, and other native commodities, we do yearly export the overplus to foreign countries to the value of £2,200,000, by which means we are enabled beyond the seas to buy and bring in foreign wares for our use and consumption to the value of £2,000,000; by this order duly kept in our trading we may rest assured that the kingdom shall be enriched yearly £200,000, which must be brought us as so much treasure; because that part of our stock which is not returned to us in wares, must necessarily be brought home in treasure."

It will be seen that the writer here insists that if the nation exports more in value than it imported, the deficient balance would be so much gain, and, therefore, it must be paid to them in the precious metals. Not that he had any overt knowledge that such was the fact, although he was a leading London merchant, but because he did not see how it could be otherwise. These reasonings were certainly much more excusable in those days, when statistical knowledge was not obtainable, even by the most diligent, but there is no excuse for the advocacy of so absurd a doctrine at present.

The French economists devoutly believed that no additional value could be imparted to the products of the soil by the manipulations of the manufacturer or the operations of the merchant, but they never promulgated so ridiculous a theory as a nation becoming rich and prosperous by importing *less* in value than it exported. Under ordinary circumstances each nation must be more or less benefitted by whatever trade is carried on, and this proposition is so self-evident that it is quite unnecessary to say more upon the subject. It cannot be denied, however, that circumstances may arise, either adventitiously or naturally, that would destroy the profit or advantage of a long established trade; but then, of course, it would be discontinued.

But to return to the statistics quoted by Mr. Carroll, and taking them to be correct, the idea strikes us favorably that the foreign trade of the United States is gradually declining, as well as becoming less profitable. The excess of exports over imports is no doubt an excess of *price*, as that gentleman assumes, and this seems to be rendered more certain by the excessive exports of the precious metals. Mr. Carroll, however, does not take this as a proof. Upon this point he and I differ. He says, "cheap money means high prices. Duties on imports operate in the same direction; and the nation afflicted with these disabilities works to disadvantage." And here come the mistake and inconsistency—"*except* in the case of money cheapened by mining, *which being capital, is exported, when in natural excess, in exchange for other capital*; and is thus a source of national wealth, like everything else produced cheap for foreign commerce—that is to say, in excess of the home demand."

The opinion that money (gold and silver) is capital, and that we get value for it when it is exported in the usual course of trade, is not peculiar to Mr. Carroll, although it has been incidentally combatted several years ago in the pages of the Merchants' Magazine. Nevertheless, all the claim it has to be considered capital, arises from its power of saving labor by facilitating exchanges; but paper money, where it *has* value, is just as good as gold; and the only reason why gold is preferred for exportation is because its value is intrinsic, and therefore universal, while that of paper money is only imputed, and therefore local.

Money no doubt, whether of paper or the precious metals, is capital in the hands of individuals, but a larger or smaller quantity makes no difference in the capital of a nation, and if it be of gold, and is exported from excess, the nation will get nothing in return for it. If it increases in a greater ratio than other commodities it must of necessity depreciate, as no condition of cheapness will induce an adequate consumption. This has been sufficiently shown by M. Chevalier, both from French and English statistics. It must, therefore, be exported in price *without value*; that is to say, without any return being made for it in the imports. Consequently, the nation that produces the precious metals, while at the same time it produces large quantities of other commodities for exportation, the production of the metals will be just so much loss to the community. This is the evil of a *fixed standard* of value. To assume the contrary of this proposition would be to adopt the same error as Dr. Smith, that has created so much mischief. He maintained that by the substitution of a paper, for a gold or silver currency, the value of the gold or silver, could be added to the capital of the nation. Acute as he was, he did not detect the reason why the western nations were so constantly drained of their precious metals by the eastern; he was oblivious of the fact, that the only mode of exporting them was, through their depreciation, to pay balances created in price by their excess. When the world gets rid of the fallacy we are combatting that an increase of gold is an increase of capital a great desideratum will have been achieved and a great load of taxation removed, chiefly from the shoulders of the people of the gold producing countries; though it will be otherwise beneficial. We shall not then allow the banks to tax the people by creating money for their own use and behoof; nor shall we allow the gold digger the advantage of the fixed standard of value, which prevents his commodity from depreciation until *after* it has left his hands. Governments will then be the only issuers of money (of paper), and *that* to a certain limited extent. But to return to our subject.

In looking over a table of exports and imports since 1846, we are struck with the change that has taken place since that period. Up to the year 1850, the era of gold-digging in California the United States were in the habit of importing more of the precious metals than they exported. In the year 1847, imports of gold were 24 millions, though some of it was re-exported the following year; and up to that time the exports and imports generally balanced each other. But since 1850 the exports of specie have gradually increased, until they have reached a point beyond precedent. For the first five years those exports upon the average were annually 34 millions more than the imports. And according to the statistics of the movements of treasure for the last seven years (February

number of the Magazine), the United States have exported nearly 10 millions more specie than they have imported from California and all other countries; that is to say, they have exported within that period, the whole of the 236 millions received from California and other countries, and nearly ten millions annually in addition, from the original stock of treasure of the United States; amounting in all, to more than 300 millions of dollars, exported within the last seven years. This is the secret of the excess of exports over imports, which has been puffed by the *protectionists*, into a favorable balance of trade. And yet there are parties who think they know better than other people, who assume that the United States has grown extremely rich within that period, notwithstanding the *principal* crops have fallen off for the last three seasons.

Mr. Henry C. Cary thinks that the United States are now so prosperous, in comparison with their condition before the year 1860, that he believes the annual loss under the tariff of 1846 to have amounted to something like $6,000,000,000 of dollars. As long as that tariff existed it seemed sufficient in Mr. Cary's mind to account for all the evils that the country was subject to within that period; and up to the time that it was replaced by that of Mr. Morrill, including, of course, the exports of specie, the bankruptcies of 1857 and 1858 and the burning of corn in the *West* for fuel. But yet, notwithstanding, the enactment of the Morrill tariff, gold continues to be exported, and corn is still burnt for fuel in the West. And how long it may be before the recurrence of a commercial crisis, we shall not presume to predict.

Mr. Cary seems to presume that the wealth which carried on the war was conjured into existence upon the instant, and was not already accumulated prior to that time. In this we beg leave to differ. He says, "It was a force resulting from an activity of circulation wholly unprecedented in history, that it enabled the government to make the war, and that force existed in despite, and *not as a consequence* of government necessities." He further says, speaking of the Morrill tariff, "to that law, aided as it was by the admirable action of the Treasury, in supplying the machinery of circulation, we stand now indebted for the fact, that we have in the short space of five years, and at a cost of thousands of millions of dollars erected the wonderful monument of which I have spoken; and that we have in those same years produced *more food*, built more houses and mills, opened more mines, constructed more roads than ever before, and so greatly added to the wealth of the country, that the property of the loyal states would this day exchange for twice the quantity of gold than could five years since have been obtained for all the real and personal property, southern chattels excepted, of the whole of the States and territories of which the Union stands composed."

Of course this is a most extraordinary statement, and we think not strictly within the pale of probability; it nevertheless lets out the secret by which that rapidity of circulation has been produced of which Mr. Cary speaks, in such laudatory terms elsewhere, and by which this imaginary increase of wealth has been so suddenly produced. It turns out, then, that this rapidity of circulation was nothing more than an abstraction of so much wealth from the producers and capitalists of the country by the issues of paper money from the Treasury, and the creation of the National debt; a mere consumption of capital without an equivalent amount of pro-

duction to be given in exchange for it. This must of necessity be so, as the crops could not increase by magic, as they must have done, if that had been the case, while the Government required the aid of 2,000,000 of men. We know, however, that the crops have not increased upon the average in any appreciable ratio since 1860, to say nothing of the loss of the cotton. And as cheap food, and the abundance of other raw materials, are the only foundation of *real* prosperity and profit, we must be excused if we do not exactly adopt Mr. Cary's opinion. And if the word *paper* had been substituted for that of gold in the latter part of the paragraph, no doubt the statement relative to the increased exchangeable value of the property of the States would have been much nearer the mark. In fact, it appears more than probable that this increased amount of wealth, created during the war, consists, for the most part, as Mr. Carroll would say, of price without value. But let us examine this new doctrine a little closer to which Mr. Cary stands sponsor.

Mr. Smith says:

"The growth of wealth, therefore, depends upon *the rapidity of the societary circulation*, not the speed with which products are transported in space, nor the frequency with which they pass from hand to hand, but the continuity of transformation through the immediate succession of actual consumption to production. This involves necessarily the concentration and interfusion of producers and consumers, and the growth of wealth, and the diversification of employements."

Now, Mr. Cary being the expounder he proceeds as follows;

"Such being the theory, we may now compare it with the practise. A bushel of wheat is produced, representing, let us say, a dollars worth of mental and physical force. The consumer being close at hand, the producer re-enters on the instant upon the possession of the whole capital that has been expended. Consumers not presenting themselves, the farmer stores it in his barn, losing so much interest. A neighbor offers to carry it for him, charging interest proportionate to the time that may reasonably be supposed likely to elapse before a consumer shall be found. A trader comes and he now takes upon himself the burthen of carrying it, charging further interest. In this manner it passes from hand to hand, and from city to city, finally finding a consumer in Lyons or Manchester, having on the road paid in mere form of interest, perhaps, half the price at which it has at last been sold."

"What is true of a single bushel is equally so of hundreds of millions of bushels of wheat, rye and Indian corn; of the thousands of millions of pounds of cotton; of the hundreds of thousands of hundred weights of pork and beef, rice and tobacco that are everywhere landing in barns, wharehouses, wagons, cars and ships, waiting the arrival of men prepared to give in exchange for them cloth, furniture, ploughs, harrows, and the thousand other commodities needed by the planters and farmers of the land. This is a mass of petrified capital to be carried at the cost of the producers, and it is within the mark to estimate the amount so standing petrified at the present moment, at $500,000,000, *all of which bears interest.*"

The great mistake of Messrs. Smith and Carey appears to be two-fold. In the first place no such continuity, or rapidity of circulation (consumption rather), upon which they assert that the growth of wealth depends, can by any possibility take place. If the production of wheat, rye, and other raw materials were not limited by the routine of the seasons by space and other physical circumstances; if they could be ground out by machinery, *ad infinitum*, as fast as the physical power of labor or steam could be applied to them there might be some rationality in these novel doctrines; but the powers of man are limited in this direction, and wisely so, or in a few years we would barely have space enough left for standing room. Many may cultivate and improve, but there he must stop; he must await

the succession of seasons. If it were possible that society could put in practise even a *comparative* immediate consumption of food, and other raw material, we should find quickly that we had evoked much greater evils than the paying of a little interest on capital, even if that assumption were true.

The world seems to be afflicted every few years with some common plague, such as the cholera, the cattle pest, or a deficiency of crops. What then would be the condition of society, if we could by the increase of the manufacturer's population, or by any means reduce the floating stock of food and raw material to one-half the present relative amount? We should find ourselves shortly much in the same condition as Egypt would have been, in the seven years of famine, without the foresight and wisdom of Joseph.

Mr. Cary says the Southern traveler in New England asks, where are your barns? and finds his answer in the fact, then given him, that everything yielded by the land is consumed on the instant of production. So is it round our cities, the market gardeners finding instant demand for all his products. So, too, is it in Belgium and France, and therefore is it that in those countries that capital abounds, and that the services of money can always be commanded at the lowest rates of interest.

Here, then, we have a repetition of the previous fallacy of *the rapidity of circulation, etc.*, with the additional assumption that money, which is here called capital, would, under those circumstances, be relatively more plentiful.

Every political economist, of course, is quite aware that the relations of money are governed by no such circumstances. It will, like all other commodities, if *left free*, gravitate to those points where it is dearest, or where it will purchase most of other commodities. No country can have more, and none will have less, than its share in relation to other circulating capital.

The prophecy so pretentiously held forth by the protectionists years ago, that a high protective tariff would prevent the exportation of the precious metals, has proved signally fallacious, as has been sufficiently shown by the statistics of the movements of treasure,* to which we have before alluded. Fluctuations of *interest* will no doubt take place, caused chiefly by the operations of speculators and stock jobbers, in all countries where a paper currency abounds. There will, however, always be a great difference between the regular rate of interest upon permanent investments and the discount paid by a necessitous speculator. But where interest is permanently high, we may be certain that the rate of profit upon trade and commerce is also high. We now turn to the other part of Mr. Cary's theory, which we have previously intimated as being erroneous.

Mr. Cary assumes that all the food and raw material not actually in the hands of the consumers and the workmen, is merely so much petrified capital. His language includes "the hundreds of millions of bushels of wheat, rye, and Indian corn, the thousands of millions of pounds of cotton, the hundreds of thousands of hundred weights of pork, beef, etc., standing in barns, wagons, warehouses cars and ships," all to be carried to the point of consumption at the expense of the producer, and the interest upon

* February Number page 137.

the necessary investment of capital, until that point is reache d, to be paid by the same party.

Now this is certainly turning things upside down. According to our notions, we had always thought that the consumer had to pay all the cost of production, the taxes, and the profits; but it seems this is not so, according to Mr. Cary. One thing, however, is certain, that whatever class, whether producer or consumer, may bear the interest upon the capital invested in the food and raw material after it leaves the hands of the producer, it is an expense that no community can get rid of; it must be paid by some party, no matter who;—the stuff must be stored and carried, some part of it to the end of the year, and even beyond that, if we would not have the recurrence, every now and then, of famine and pestilence, as formerly. These inconveniences are only prevented at present by the immense amounts of food and raw material in the hands of capitalists, over and above what is required for immediate consumption. It would indeed be dangerous to limit the supplies of food and raw material to the absolute demand, or even to approximate thereto by any trade regulations. All such attempts, however, in the United States must prove abortive, simply because the interest of the farmer and landowner will prevent it. The fact is that the producer does not pay either the interest or the carriage of the material, either before or after it leaves his hands. He must be compensated by the consumer for all his outlay of capital and labor; and although his profits may not be equal to those of some merchants or tradesmen, they will still be sufficient to give him the usual rate of profit upon his calling. But if we were to believe Mr. Cary, we should assume that the farmers, as a class, were singularly deficient of the instinct of self interest, as they have not, according to him, applied their capital and labor, all the circumstances considered, to the most advantageous employment. In that case, there can be no help for them, and there ought to be no pity. Let them learn to take care of themselves without being petted and protected.

The idea of protecting every man's interest, and of making all equally independent and comfortable, is just as chimerical as to suppose that all men could be made, by education, equally moral, equally talented and prudent, and equally industrious. In fact, to suppose that the laws of nature can be reversed.

These equalizing schemes have been tried in a thousand different ways and shapes within the last century, and they have in every instance proved abortive. Every European nation has tried *protection* to its heart's content, but there is not one of them that has not re taxed her tariff and trade regulations in favor of more extended commerce. Even Belgium, one of Mr. Cary's pet examples, has not a single protective duty.

A VISIT TO THE BULLION VAULTS OF THE BANK OF ENGLAND.

The Bank of England if not at all times the greatest depot of this precious metal, is, beyond all question, the most influential accumulator and dispenser of it in the world. The Bank of France often holds, as it holds at present, a larger quantity of gold than the Bank of England, but it is admitted on all hands that the quantity held by the Bank of France is universally regarded as of less significance and importance than the quantity

that may be held by the Bank of England. Of late years the stores of gold in the latter have generally amounted, in round numbers, to from thirteen millions to sixteen millions. The amount, according to the latest return, was about fourteen millions. Such an amount of bullions, says the *Money Market Review*, we have often thought, must be "a goodly sight to see," and we had a longing desire to see it; and the Governor of the Bank made our editorial mouth water, and our editorial eyes sparkle, when he told us that he had once seen, at one view, no less than sixteen millions of pounds sterling in gold bullion and coin. The mere thought of taking in at one view, by a single glance, such an immense amount of treasure, the representative in exchangeable value of such an enormous amount of human labor, skill, productive capacity and energy, produces quite a novel and exciting sensation. It is very rarely indeed, however, that such an exhibition is presented to the gaze of any one, for the circumstances under which the Governor and one or two more were so fortunate on the occasion alluded to were special and peculiar, and it may be long before anything analagous occurs again. The rules adopted by the Bank Directors, even among themselves, for the "safe binding and safe finding" of the securities and treasures of the Bank are extremely stringent. All the securities are every evening safely locked up in their proper depositories, and the keys thereof are placed in a bag; the bag is placed in a cupboard; to that cupboard there are three locks and keys, one of the three keys is kept respectively by the Governor, Deputy-Governor, and another of the Directors of the Bank. Every morning, therefore, before the business of the bank parlor can commence, those three gentlemen must be present, each with his own proper key, to unlock the cupboard and obtain the keys which unlock the safes where all the securities of the bank are deposited. And it is regarded as a point of honor with each Director never to trust the key out of his own custody.

By the courtesy of the Governor of the Bank, Mr. Ellis, the head of the bullion office, was permitted to show us everything we desired to see in his department; and Mr. Ellis, with a courtesy which we are bound to acknowledge and to thank him for, did full justice to the Governor's recommendation. Under his personal guidance we went the round of the vaults under keeping and control. The bullion warehouse of the bank, it is well known, are the temporary receptacles of, occasionally, immense quantities of specie and bullion belonging to the merchants and consignees in the city, for whom the bank takes charge of it in consideration of a small per centage; and it is deposited in these vaults until it is sold or disposed of, and is required for delivery or exportation. This is, of course, quite apart from the bullion, against which the bank has issued notes from its issue department, as stated in the weekly return. The vaults are plain bare brick and stone structures, with a number of strongly made trucks or carriages, on which the bars or bags of gold or silver are placed, for the convenience of being wheeled or moved about. At times, Mr. Ellis told us these vaults are all filled to overflowing with bullion in bars and coin belonging to the bank or to merchants and bullion dealers. But at the time of our visit, some weeks ago, they were comparatively empty. In some of the valts there were here and there trucks with a few bars or bags of gold coin of some foreign country upon them, amounting in value to one or two hundred pounds sterling, but this was a mere trifle to what

they usually contain. In one vault, however, there was a truck heavily laden with gold bars, which was pretty and interesting. Each bar was worth upwards of £800, and the sterling value of the whole was half a million sterling. All the bullion, we should mention, whether in bars or coin, is estimated according to its weight and fineness, by our standard, and not according to the number or nominal value of the coins; and all the entries appertaining to them in the books of the office are based upon this principal. In regard to these bars, there was the report of the assayers on each bar, accompanied by the part cut off and assayed, showing the the precise quality or fineness and sterling value of each. There is a powerful machine in this vault for cutting off the portion to be assayed, and there is another powerful machine for numbering or stamping the number upon each bar. But the most interesting machines are those for weighing coin and bullion. These are masterpieces of delicate and perfect mechanism, and there are several of them. None of them, perhaps, are what would commonly be called handsome machines, but they are admirably constructed for their purpose; and there is one in an inner vault, which is always kept locked up, and to which recourse is had only in case of any doubt or dispute as to the perfect accuracy of any of the others.

But these vaults, though very interesting, were not all we wanted to see. There is another vault, situate somewhere within the precincts of the bank but we are bound not to say exactly where, and for the very good reason, that we do not exactly know where—in which is deposited the great bulk of the bank's stock of gold. That is *the* bullion vault of the bank of England; but the vault is never opened and never seen except by two of the bank directors, the governor and deputy-governor, the chief cashier, and the porter of the bank parlor. The governor and the deputy-governor and chief cashier have each their separate keys of this great iron and stone chest, and it can only be opened by the common consent of all these officials. Whenever Mr. Ellis's own vaults get choked up, or too full he intimates to the governor his desire to hand some bullion over to them. Then the two governors and the chief cashier go with their keys to open the great iron door, and to receive, examine, and verify what Mr. Ellis hands over, and to place it in the vault. Having done that, they give Mr. Ellis a receipt in discharge, and then the vault is again closed, and the door locked, not to be opened again until more gold is ready to be put in, or gold is required to be taken out for exportation. In the latter case the same parties must personally attend with their respective keys, and—similar formalities must be observed. These, we believe, are the only parties who are ever permitted to attend on these occasions, or who are privileged to see or enter this sacred domain. Mr. Ellis is an old official of the bank, and has occupied his present position for many years, but up to this time *he*—even HE—has never yet been permitted to enter that vault. Possibly it may be considered that, as he it is who delivers the bullion to that vault, and receives bullion from it, he is the last person who ought to be permitted to enter it; but still the facts show the stringency with which the necessary precautions are observed and consistently enforced. The vault itself, we believe, is absolutely impregnable, and would baffle the attempts even of Mr. Caseley, with all his "lawful" or "unlawful" appliances. In fact, we are assured that nothing less than

the force of powerful artillery could possibly effect an entrance. And, inasmuch as the bank is nightly guarded by detachments of the Queen's troops, lodged inside, we suppose there is little need to apprehend any danger to the bank's stock of gold from hostile or burglarious attempts.

FOOD AND ITS ADULTERATIONS.

High prices for food lead to the introduction of injurious substitutes and adulteration. At the present time an unusual number of articles of food in duly use are badly adulterated. Common scandal for years has assigned to the milk vended from the wagons a reputation by no means creditable to the salesmen. Whiting, flour, water and many other things have been found to constitute the ingredients of the produce which confiding persons have supposed to be elaborated by the mammary glands of the cow. Cream is a mythical affair altogether.

Butter has also been found to be extensively adulterated in England. About fifteen years ago the owners of the London *Lancet* employed Arthur Hill, Hassel, and others, to investigate the matter of the adulteration of food, and published the results of their experiments in a series of papers. The scales and test tubes were employed in the endeavors to determine the quality and ingredients of the various staple articles employed in diet by the inhabitants of the British motropolis. Doctor Hassel afterward embodied the results of his labors in a volume, which is declared to be a very cyclopædia of dishonesty. No less than forty-eight samples of butter were examined by these investigators, and their discoveries were recorded at full length. They ascertained that about one-fifth of the whole weight consisted of salt and water, the water having been stirred up with the butter rendered half fluid by heating. Potatoe flour was also detected.

The adulteration of coffee is more notorious. Chiccory and dandelion are commonly mingled with it; and, indeed, peas, barley, sweet corn, wheat, are substituted in its place. Even the chiccory itself is too valuable to escape analogous treatment. Doctor Hassel and his associates examined thirty-four samples of the prepared sort, and found carrot, parsnip, beet, beans, acorns, roasted corn, biscuit-powder, and burnt sugar.

These gentlemen examined forty-two specimens of coffee, finding thirty-one to be adulterated purely with chiccory; twelve chiccory and roasted corn; one with beans, and one with potatoe flour. A packet of "Jamaica coffee" was found to be composed almost entirely of chiccory; the "finest Java coffee" consisted of half coffee, much roasted corn, and a little chiccory; "superb coffee" was principally chiccory and roasted corn; "fine Plantation Ceylon" was almost entirely chiccory; "fine Java" was heavily charged with chiccory and potatoe; "delicious drinking coffee" was chiccory and roasted corn. The more imposing the name, the grosser the counterfeit appears to have been. We remember some months since to have been presented with a sample of made coffee, the flavor of which greatly resembled that of charred wool, and its effect upon the stomach was anything but agreeable. Indeed, in this country, as well as elsewhere, there are but two certain plans to follow to obtain real coffee:

to witness the grinding of it, or to purchase it whole and grind it at home. Nevertheless, there are honest coffee merchants occasionally.

The same remark applies with equal justice to the trickery played upon tea. The Chinese adulterate it themselves before selling it to the "outside barbarians" by mixing it with ash or palm leaves. The English are largely in the practice of gathering the "grounds" or exhausted leaves, mixing them with a solution of gum and drying them; after which by adding rose-pink and black lead to "face" them, they are made into black tea, and by using copperas, they have green tea. The leaves of the beech, elm, chestnut, plane, oak, willow, poplar, hawthorne, sumach, holly, sloe, are used more or less in the work of adulteration. Black tea, however, does not appear to suffer much in reputation in this manner; but of green teas this cannot be said. Of course, it is not necessary to remark that the difference between genuine green and black teas consists in the peculiar manipulations given them by the Chinese.

Chocolate has also become notorious by reason of its adulterations. Flour appears to be the principal ingredient employed for this purpose; starch, sugar, cocoa-nut oil, lard, tallow, sweet ochre, and chalk, have also been used. The very mode of preparing it affords facilities which the dishonest could not leave alone. The proclivity is unfortunate, for the beverage is cheaper and more wholesome than its rivals.

The corruptions of sugar are less numerous, and are confined principally to confectionery. Gamboge, starch, flour, pipeclay, plaster of Paris, chalk, and even copper, lead, and mercury, are used in the preparation of cheap candies.

Wheat flour is generally sold in this country in a pure condition, owing to its cheapness. But in England, it has been found upon analysis to yield such queer constituents as white corn meal, potatoe flour, plaster of Paris, ground bones, chalk, rye, bean, pea, and rice flour. Bread, however, is badly adulterated. There is some reason for our people to adopt the suggestion of the French tiger Marat, and hang up the bakers at their own doors. The bread which they serve becomes thoroughly unpalatable when but a few hours old, owing to the improper ingredients employed in its preparation. Alum, either pure or mixed with salt, is a familiar article in the manufacture, making inferior flour white, and enabling it to absorb a larger quantity of water.

The remedy for these evils is an important topic for consideration. Legislation has often been proposed, but we cannot quite agree with those who regard it as the panacea of human ills. Indeed, it is hardly possible to establish in any large community, like Boston, New York, or Philadelphia, a system by which unwholesome or adulterated articles would be excluded from the markets. Besides, we are a people jealous of much governing. We prefer to be cheated in the weight or quality of our bread, the quantity of our berries, the constituents of our milk, or even in the ingredients which constitute our coffee or wine, to the alternative of an espionage into our habits and employment. The surveillance which in many European countries exposes every man's most trivial acts to the cognizance of government, would be resented by us as an unpardonable outrage on personal rights. We prefer to take our chances with the petty knaveries of our neighbors, to hourly contact with the informer, the policeman, or the magistrate.

We are of opinion that the best method of protection against the practise of adulterating the different articles of food is to insure its cheapness. Only when prices are high is there liability of tampering with spurious ingredients. By no means should Government lay its imports and excises upon the necessaries of life, exposing its citizens to such frauds, and to the evils of artificial famine. The cheapness of food is also of the utmost importance to the public health. Mr. Farr, the Registrar General of England, reviewing the tables of mortality of London from 1602 till 1800, ascertained that in ninety-eight years when provisions were relatively cheap, the number of deaths were less than in ninety-eight years when the prices were higher; thus demonstrating the existence of the law. Mr. Stow speaks of two bad seasons in succession, 1392 and 1393, when the poorer inhabitants of that city sickened from their endeavors to subsist on apples and nuts for want of better food; showing that cheapness of food is essential to the public health. If the East Indian pestilence scourges our cities during the present year, as has been apprehended, those of the population will suffer worst from it, who have not the means or opportunity to procure wholesome food in ample quantities. The enhancement of prices, whether by the transaction of speculators or by taxation, operates directly to disseminate epidemic sickness, and aggravate its violence. The experience of all countries shows this. It is dangerous to tamper with the prices of food; and of little utility, when such indiscreetness has invited adulteration, to hope to correct the mischief by penalties. Cheap bread is essential to the safety of a people.

VIRGINIA STATE DEBT.

This State had contracted previous to the war a very large debt forinternal improvements and banks, yet, up to the date of secession, no State enjoyed a fairer credit either at home or abroad, and its bonds were greatly esteemed as objects of investment. This high credit was well founded—the great wealth and resources of the Commonwealth and the honorable course the State had always preserved towards its creditors, warranting the esteem in which it was held. The greater portion of its debt, however, has always been owned by the people of the State themselves, and not more than five per cent of the whole by capitalists beyond the limits of the Union.

That the State yet enjoys a high credit is equally well ascertained, the quotations at New York are higher than might have been expected after a suspension of interest for four or five years. Its coupon bonds now sell for 67@68 in our market, which is a sure criterion that their payment, principal and interest, is undoubted.

The whole debt, including accrued interest to January, 1866, aggregates more than $42,000,000, and its liabilities on guarantee, beyond the guarantees already become absolute debt, are several millions more. Gov. Peirpoint, in his message to the Legislature, Dec. 4th, 1865, states the amount then outstanding to have been as follows:

State bonds, 6 per cents, registered	$21,888,898 38
" " 5 " "	108,000 00
Total registered (or home) debt	$21,996,398 38
State bonds, 6 per cents, coupons payable in New York	$11,108,000 00
" " 5 " " " in London	1,865,000 00
Total coupon debt	$12,973,000 00
Aggregate amount	$34,996,398 38
Interest outstanding and unpaid, July 1, 1865	5,071,387 29
Add guaranteed bonds, by which the State is liable, and will have to pay	822,855 00
Interest thereon to July 1, 1865	197,726 20
Aggregate up to July 1, 1865	$41,061,316 87

The interest for the half year to the end of 1865 would be $1,063,902, which, added to the above, would make the total debt for which the State was liable at that date $42,125,218 87.

The assets of the State held against the above debt, are as follows :

Stocks in the railroads	$18,649,843 34
Seven per cent bonds loaned to railroads	3,093,333 33
Add four years interest	966,133 20
Total in railroads	$22,709,319 87

Of the above stocks there is expended in railroads, from which it is not probable that the State will derive any income, for many years at least, and which should be deducted from the estimate of available assets of the State, $7,359,946 52. The residue of the stocks and bonds, however, may in time be made available to the Commonwealth. The investments of the State in the several banks of the Commonwealth are as follows:

In the name of the Commonwealth	$2,343,100
In the name of the Board of Public Works	1,003,850
In the name of the Literary Fund	363,070
Total	$3,710,020

Very little of this amount will ever be available, and with the exception of some $50,000 in the Fairmount Bank, the whole may be considered as lost to the State. Some of the banks will only be able to pay a small percentum on their circulation.

The other assets of the State are of a miscellaneous character. The State has several millions of dollars in stock in the James River and Kanawha Canal, and holds a large amount in turnpike roads and bridges, but there is no hope that any of these investments can be relied on as present sources of revenue. It is also owner of the tobacco warehouses and the armory grounds in the City of Richmond; and before the war Virginia owned a literary fund of large value. On the 1st April, 1861, this amounted to $2,344,714 81. For all practical purposes it may be said that there is now no such fund, and it can only be reinstated by a direct tax upon the people.

It is evident from these premises that the late war has divested the State of the most valuable of its accumulated resources. The stocks and bonds it holds as security for its investments in railroads, banks and other economical institutions have become unproductive and in part worthless; and hence, for the present, the whole burden of the State debt falls upon the people. To pay the interest on the debt and contribution to the sinking fund will require at least $2,500,000 a year, which, in the present condition of the people of the State, is a large sum to collect from them; while, at the same time, they must maintain from taxation all the appointments necessary to keep up the State organization. The annual amount of taxes, previous to the war, was about $3,250,000, and the whole expenses of the State a million more. Five millions will be required now, without the aid of investments or the tax on negroes. Of the determination of the people to do their best to maintainthe financial honor of the State, however there can be no question.

The debt consists of two portions, the old debt or that which existed on the 1st January, 1852, and the new debt or that which has been contracted since that date. The Constitution of 1851, and the act to create a Sinking Fund, provides that an amount equal to seven per cent. shall be annually set apart upon the old debt, which amounted then to $11,971,838, requiring the sum of $838,028 68 as the basis. The Constitution also provides that whenever after January 1, 1852, a debt shall be contracted by the Commonwealth there shall be set apart in like manner, annually, for thirty-four years, a sum exceeding by one per cent. the aggregate amount of the annual interest agreed

to be paid thereon at the time of its contraction. The additional one per cent., by successive investment, would retire the debt in the thirty-four years, the time that all the new debt has to run.

On the 1st October, 1860, the old debt had been reduced to	$10,709,995 30
The new debt outstanding amounted to	22,538,146 33
Total	$33,248,141 33
Increase since October 1, 1860	1,748,256 75
Total now outstanding	$34,996,398 28

—not including guarantees or overdue interest.

The consideration of this subject at the recent session of the Legislature has resulted in the passage of a funding law which is now in operation. This law provides that the holders of registered bonds of the commonwealth issued before April 17, 1861, may invest the interest due upon said bonds in registered bonds of the State, bearing the same rate of interest as the principal, and payable in ten or thirty years as the holder may elect. The holders of the coupon bonds of the State, issued prior to the above date may invest the interest due in either coupon or registered bonds, to bear interest at the same rate as the principal. All fractional sums of interest due on the above bonds which cannot be invested as above, are to be provided for in the form of certificates payable in two, three, or four years with interest. The interest on the bonds of the restored government issued since the creation of West Virginia, may be invested up to January, 1867, in State bonds, coupon or registered at option. The Sinking Fund is preserved so that the dates at which the several portions of the debt will become due are not altered. Thus the bonds of 1852 are due in 1886, those of 1853 in 1887, etc., etc.

DEBT AND FINANCES OF KENTUCKY.

The total debt of Kentucky outstanding Oct. 10, 1865, amounted to $5,254,347, of which $3,651,402 was held by the public, and $1,602,945 by the State School Fund. Against this debt the sinking fund is credited with various properties and assets valued at $7,638,494, and has large annual receipts from taxes, interest, dividends, &c. This fund is regarded as sufficient to meet promptly and at maturity the interest and principal of the indebtedness of the State. The valuation of taxable property for 1865 was $359,717,161, having been reduced about sixteen millions from the valuation for 1864, a fact wholly due to deterioration in the value of slave property, which for 1865 is set down at $7,224,851 only, being less than an average of $50 per head assessed for taxation. The taxation for 1865 was 40 cents on the hundred dollars of valuation, and appears to have been sufficient for all purposes. This taxation is equivalent to 130 cents *per capita* of the population. It is thus evident that Kentucky, notwithstanding her losses by reason of the war, is abundantly able to sustain her credit which has always stood high; being one of those States which has never been tainted with repudiation in any form whatever.

The following statement exhibits the changes in the amount of the debt by issues and redemptions yearly from October 10, 1859, to October 10, 1865:

Amount outstanding Oct. 10, 1859		$5,479,944
Six per cent military loan certificates, 1861	$1,795,000	
" " " " (Act Feb. 18, 1864)	417,000	
" " Loans from School Fund, being unexpended county distributions	219,113	2,431,113
		$8,910,357

Redeemed prior to Oct. 10, 1861		$750,010	
" in 1861—military loan	$310,000		
" " original debt	9,000	319,000	
" in 1863—military loan	855,000		
" " original debt	35,000	890,000	
" in 1864—military loan		1,130,000	
" in 1865—original debt		67,000	2,656,010
Total outstanding Oct. 10, 1865			$5,254,347

The following is a statement of the debt, at the date mentioned:

PUBLIC DEBT OCTOBER 10, 1865.]

The public debt of Kentucky, at the close of the fiscal year 1864-65, amounted to $5,254,347, and is thus accounted for:

Acts authorizing the several issues.	Parties and institutions to which issued.	Date of Issue.	Maturity.	Rate per an'm	Amount issued.	Amount outstanding.
Various	(Six y'rs bonds and int. imp. R.R. sc'p $609,500)	*Various.*	*Dus.*	6	.....	$402
Feb. 28, 1835	Bank of Kentucky*	May 25, 1835	1865	5	$100,000	14,000
" " "	Prime, Ward & King	Aug. 1, 1835	1865	5	100,000	85,000
Feb. 29, 1836	Northern Bank of Ky*	April 25, '36	1866	5	100,000	95,000
" " "	Bank of Ky*	June 1, 1836	1866	5	50,000	9,000
" 23, 1837	War Department	April 1, 1837	1867	5	165,000	165,000
March 8, 1843	John Tilden, ag't to sell	Sept. 2, 1843	1873	5	100 000	79,000
Feb. 16, 1838	Am. Life Ins & Trust Co	July 1, 1838	1868	6	1,250,000	999,000
" 22, 1839	Contract's on pub. w'ks	Apr. 22, 1840, to Feb 19, '41	'70-71	6	33,000	27,000
" 21, 1840	Northern Bank of Ky	Nov. 4, 1840	1870	6	285.000	188,000
" "	Bank of Ky	" "	1870	6	180,000	151,000
Feb. 21, 1840	Contractors and in exchange for six years' bonds.	April 3, 1841 to April 1, 1842	'71-72	6	1,741,000	1,422,000
" " 1841						
Mar. 3, 1842						
" 11, 1843						
" 2, 1844						
Mar. 1, 1844	Holders of Lex'gton & Ohio R. R. bonds	Jan'y 1, 1865	1880	6	150,000	.....
Feb. 28, 1846	Holders of six years' bonds and others	Oct 7, 1846, to Jun 15, '48	'61-63	6	70,000	.....
	Total amount held by public and institutions				$6,486,000	$3,651,402
Held by Board of Education*		Aug. 9, 1840	1870	6	24,000	24,000
		Jan. 6, 1840	1870	6	21,500	21,500
		Jan. 1, 1840	1870	6	22.000	22,000
		Jan. 18, 1840	1875	5	500,000	500,000
		Jan. 22, 1840	1875	5	170,000	170,000
		" "	1875	5	180,000	180,000
		Dec 28, 1848	*Pleasure*	5	308,268	308,268
(Balance due for int. on State bonds		July 5, 1850	"	5	101,002	101,002
Jan. 30, 1864 For unexpen'd county distrib. & held by B'd of Education*		July 1, 1865	"	6	276,175	276,175
	Total amount held by Board of Education				$1,602,945	1,602,945
	AGGREGATE PUBLIC DEBT				$8,088,945	5,254,347
	The annual interest on the above debt is					$299,198

Marked thus * indicates that principal and interest are payable in Kentucky; all others are payable in New York.

Against the above debt the State owns property of various descriptions and other assets valuedin the aggregate at $7,638,494. These are described as follows:

Stock in internal improvements	4,880,476
" in banks and railroads	1,562,820
Loan to Revenue Debt $100,000, and interest $9,000	109,000
Surplus in Treasury, Oct. 10, 1865	435,697
6 per cent legal tender notes on deposit in New York	100,000
Loan to Military Fund	200,000
Deposit to credit of Sinking Fund, Oct. 10, 1865	400,502
Total property and assets owned by State	7,638,494

These belong to and constitute the

SINKING FUND,

—a fund provided for the payment of interest on the State debt as it falls due and of

the principal at maturity. The resources of this fund are as follows: (1) Tax on Bank Stock, &c.; (2) Dividends on Bank Stock owned by State; (3) Dividends on State stocks in turnpike roads and profits on works of internal improvement; (4) lease of penitentiary; (5) 15 cents Revenue Tax; (6) tax on brokers and insurance offices; (7) interest on loan to keeper of penitentiary; (8) proceeds of the Commonwealth Bank and stock in old Bank of Kentucky; (9) redemption of forfeited lands and escheats; (10) interest on ($74,579 50) L. & F. railroad bonds; (11) dividends on 2,178 shares L & F. railroad stock; (12) excess in Treasury over $10,000; (13) tax on playing cards; (14) tax on billiard tables; (15) tax on railroad stocks; (16) taxes on railroad and express companies; (17) tax of 6 per cent per annum upon dividends of turnpike roads; (18) tax on insurance companies incorporated by the State; and (19) tax on oil companies, etc., $100.

The total receipts by the sinking fund in 1864-65 were	$367,300
Add balance in Treasury, Oct. 10, 1864	20,490
Total resources	387,790
Warrants paid from Oct. 11, 1864 to Oct. 10, 1865	557,123
Balance in Treasury, Oct. 10, 1865	$30,667

The warrants drawn in 1864-65 were for the following purposes:—Bank of America (for coupons) in New York, $240,000; contingent expenses, $1,510; interest on school bonds, $81,465; interest on (home) State debt $30,142; loan to Military Fund, $200,000, and reduction of State debt, $4,000—total, $557,123.

THE MILITARY FUND.

Under this head are included all the financial transactions of the State on account of the late war. The State of Kentucky, the Auditor says, has borrowed and expended during the war, $3,621,000. Of this sum the Federal government has refunded to the State the sum of $1,051,000. This leaves due the State the sum of $2,570,000. From this sum should be deducted the State's proportion of the $20,000,000 direct tax, which the Legislature, by resolution approved December 23, 1861, assumed to pay the Federal government; this is $606,641, which deducted, will leave due the State of Kentucky for and on account of money expended for military purposes $1,963,359.

VALUATION AND TAXATION.

The taxable property in 1865 is valued at $359,717,161 while in 1864 it amounted to $375,129,756. This decrease resulted from the falling off in the value of slave property. In 1864 this item of taxation was valued at $34,179,246, and in 1865 at only $7,224,851, a difference of $26,954,395. I am inclined to think," the Auditor adds, "that the additional increase of tax of five cents on the $100 for revenue purposes will be sufficient with the natural increase of valuation to meet the expenses of the State government. The following shows the value of taxables:

VALUE OF TAXABLES AND TAXES.

	Number.	Value.		Num.	Value.
Land, acres	17,778,146	$197,676,721	Stores	4,280	$16,527,915
Town lots	45,560	61,883,478	Value under equalization law		45,402,895
Slaves (over 16 years 63,552)	153,514	7,224,851	Pleasure Car'ges, &c.		1,509,182
Horses & mares	299,160	16,641,815	Gold & sil. wat's, &c.		1,023,719
Mules	58,273	4,176,248	Gold & silver plate		500,203
Jennies	3,983	167,528	Pianos		708,259
Cattle	520,798	6,267,247			
Total valuation					$359,717,161

The tax at 40 cents on $100 valuation will amount to $1,438,868 65, and including a number of minor special taxes the total income from taxation will be $1,496,318 95 less collection and allowance. The general tax is levied thus—for State revenue 20c, for sinking fund 15c and for school fund 5c on the hundred dollars.

The following shows the variations in the valuation for the last five years:

	1861.	1862.	1863.	1864.	1865.
Land	$224,656,910	$174,187,963	$185,151,296	$196,145,226	$197,676,721
Town lots	51,508,000	41,142,736	47,097,010	56,145,757	61,883,478
Slaves	88,704,682	57,998,498	57,511,770	34,179,246	7,224,851
Horses and mares	22,037,713	17,948,088	16,842,503	17,024,345	16,641,815
Mules	5,681,521	4,342,408	4,098,815	4,409,908	4,176,248
Jennies	506,791	309,351	274,610	213,382	167,528
Cattle over $50	4,510,666	3,432,621	3,349,618	3,840,288	6,267,247
Stores	10,547,876	6,642,301	8,058,397	12,457,231	16,527,915
Value under equalization law	56,317,873	45,558,382	47,201,524	47,217,147	45,409,895
Carriages, &c	1,958,566	1,420,771	1,381,113	1,393,198	1,509,189
Watches & clocks	1,211,283	921,415	974,528	976,635	1,023,719
Gold and silver plate	587,416	504,386	512,050	515,803	500,303
Pianos	634,319	500,228	534,815	601,590	708,259
Total	468,863,612	354,917,150	372,968,047	375,129,756	359,717,161
Excl. of slaves	380,158,940	296,918,652	315,456,277	340,950,510	352,492,310

RECEIPTS AND EXPENDITURES.

The ordinary receipts and expenses of the governm nt from all sources and on all accounts for the year ending October 10, 1865 were as shown in the following statement.

	Gen'l Fund.	S'king Fund.	School Fund.	Total.
Receipts	$710,463 00	$418,989 03	$194,238 52	$1,323,690 55
Balance, Oct. 10, 1864	66,285 87	28,762 59	14,381 30	109,429 76
Total resources	776,748 87	447,751 62	208,619 82	1,433,120 31
Warrants drawn	757,446 46	342,721 61	171,587 49	1,271,749 56
Balance, Oct. 10, 1865	19,302 41	105,030 01	37,088 33	161,370 75

The above is exclusive of the military and the enrolled militia funds; including which and the balance on hand, Oct. 10, 1864 ($225,984 30), the total resources of the treasury amounted to $2,014,948 92 and the expenditures to $1,826,366 43, leaving a balance Oct. 10, 1865 of $188,582 49.

COMMERCE OF THE UNITED STATES.

The following review of the commerce of the United States we take from the *Journal of Commerce*. We do not see the necessity for impunging the motives of those under whom these reports were prepared. The errors, we think are evidently the result of the same carelessness referred to by the Internal Revenue Commissioners, and the result of which we have exposed on a previous occasion. The *Journal* says:

We have been for several months in possession of the official returns of the imports and exports of the United States for the last fiscal year, but have been afraid to use it, because we place no reliance on the figures thus given. As no other paper seems to possess the returns, and our own silence has been misinterpreted, and severely commented upon by certain partisans of the Treasury Departmented, we here annex the official figures:

FOREIGN IMPORTS AT THE PORTS OF THE UNITED STATES FOR THE YEAR ENDING JUNE 30, 1865.

Dutiable merchandise	$183,258,278
Free merchandise	43,856,155
Specie and bullion	7,225,377
Total imports for the year	$234,339,810

The above only represents only the foreign cost of the goods in gold, without including any part of the freight and duty.

EXPORTS FROM THE UNITED STATES TO FOREIGN PORTS FOR THE YEAR ENDING JUNE 30, 1865.

Domestic produce		$254,381,481
For dutiable merchandise	$23,455,837	
Foreign free do	4,411,621	
		27,867,458
Domestic specie and bullion	$51,925,277	
Foreign specie and bullion	2,522,907	
		54,448,184
Total exports for the year		$336,697,123

The export figures (except for specie, which is given at its tale value) represent the market value in the ordinary currency at the port of shipment, and are thus chiefly computed in paper money.

Our readers will naturally inquire why, if these returns are official, we do not receive them with implicit credit. The answer covers one of the most remarkable records ever made in the Treasury Department. We have heretofore called attention to the gross errors which were apparent in the annual volumes of the Finance Report and Commerce and Navigation, commencing with the year 1861, but we supposed that most of these were the result of carelessness or stupidity. We now wish to give a plain comparison of the total of these returns, as published under Mr. Chase and Mr. McCullock, and leave the candid public to judge for themselves as to the motives which have produced this difference. The following is the official statement put forth by Secretary Chase, and and repeated by Mr. Fessenden, in the official Finance Report of 1864, page 242 :

GROSS VALUE OF IMPORTS AND EXPORTS.

Year.	Exports.	Imports.	Excess of Exports.	Excess of Imports.
1861	$410,856,818	$352,075,535	$58,781,283	.....
1862	229,938'975	205,819,822	24,:19,152	.....
1863	350,052,125	252,187,587	97,864,538	.....
1864	340,665,580	328,514,559	12,151,421	.....
Excess of Exports			$192,916,594	

This would show that setting the exports (mostly given in paper money value) against the imports (given in foreign gold value), there would be a seeming excess of exports in four years, amounting to nearly two hundred million do lars. We publish the above table just a year ago, with the comment that it was most extraordinary, and remarked that we should "not be surprised to hear of subsequent corrections." No one could expect, however, that the corrections would take on such a shape as we have now presented. The new volume, issued by Secretary McCulloch, gives the new readings as follows:

GROSS VALUE OF IMPORTS AND EXPORTS.

Year.	Exports.	Imports.	Excess of Exports	Excess of Imports.
1861	$243,971,277	$286,598,135	$.....	$42,626,858
1862	229,938,985	275,357,051	.....	45,418,066
1863	322,359,254	252,919,920	69,439,334	.....
1864	301,984,561	329,562,895	.....	27,578,334
				$115,623,258
				69,439,334
Excess of Imports				$46,183,924

Thus, instead of an excess of exports for these four years amounting to $192,916,494, we have an excess of imports (even without counting the difference between gold and paper !) of $46,183,924, thus making a change in the figures by a few strokes of the pen of nearly two hundred and fifty million dollars. But the worst is still to come. We wrote to the department, more than two months ago, calling attentionto this startling change, and received from an intelligent subordinate clerk at the head of the proper bureau, a "correction" for the year 1861, making it read as follows :

Year.	Exports.	Imports.	Excess of Exports.	Excess o f Imports.
1861	$249,344,913	$335,650,153	$.....	$86,305,240

This, it will be seen, increased instead of diminishing the difference between Secretary Chase and Secretary McCulloch, and made the total discrepancy, for four years, nearly three hundred million dollars. The explanation which accompanied the corrected volume, stated that a quarter's imports had been omitted in the first compilation. Whether this amended return is the true one, and if so, what reliance is to be placed on the returns for subsequent years, we su mit to the impartial reader. We have been promised a revise for the whole period beginning with 1861, and were waiting somewhat impatiently for it; but as the delay in publication has brought down upon us no little abuse from angry partisans who have accused us of suppressing the returns, we have thought it best to lay all the facts within our reach before the public, and leave the Treasury Department to make its own explanation and settlement. The disagreeing reports are official, duly signed, and issued under the highest authority in the department.

ANALYSES OF RAILROAD REPORTS. No. 8.

I. Western Railroad.—II. Boston and Worcester Railroad.—III. Cleveland and Pittsburg.—IV. Philadelphia, Wilmington and Baltimore Railroad.—V. Northern Central Railway.

WESTERN RAILROAD.

The constituents of this great road which connects Boston with Albany and the interior States, are as follows:

Western Railroad	Worcester to New York State Line	117.81 miles
Albany & West Stockbridge	Massachussetts State Line to Albany	38.28 "
Hudson Branch	Chatham to Hudson City	17.33 "
Total length of road owned by Company		173.36 "
Second track and sidings		126.61 "
Length of equivalent single track		299 97 "
Leased Road.—Pittsfield and North Adams Railroad		18.65 "
Total length of road owned, leased, and operated		318.62 "

Under the Pittsfield and North Adams' lease, which is to run thirty years from 1st December, 1846, the date of its completion. the Western Company are to pay six per cent. on the cost, about $450,000. The net earnings have generally been inadequate to the demand, and the difference has been paid by the lessee.

The cars of the Western Company reach Boston over the Boston and Worcester Railroad, the whole distance from Boston to Albany being about 200 miles.

EQUIPMENT.—ENGINES AND CARS.

The equipment of the road at the close of each of the last ten years ending November 30, 1865, has been as follows:

Close of Year.	Locomotive Engines.	Number of 8 wheel cars. Passenger.	Mail, &c.	Freight.	Total.
1856	69	37	9	1,001	1,047
1857	70	40	10	1,012	1,062
1858	73	44	11	1,036	1,091
1859	73	47	12	1,057	1,116
1860	73	47	12	1,057	1,116
1861	73	47	12	1,051	1,110
1862	73	45	9	1,099	1,153
1863	73	45	10	1,099	1,154
1864	75	46	12	1,147	1,205
1865	78	45	12	1,170	1,227

OPERATIONS OF THE COMPANY.

The following statement shows the mileage of engines, the number of passengers, and the tons of freight carried over the road for the ten years ending November 30, 1865.

The mileage of engines with trains follows :

Fiscal Years.	Passenger Trains.	Freight Trains.	Gravel, &c., Trains.	Tot'l miles with Trains.
1856	329,674	657,944	39,400	1,027,018
1857	314,807	589,706	43,590	950,103
1858	316,190	585,639	45,122	944,951
1859	329,788	653,721	36,565	1,020,054
1860	359,564	701,455	53,072	1,114,091
1861	382,845	804,136	47,037	1,234,018
1862	362,981	852,350	41,870	1,257,201
1863	379,952	854,199	41,778	1,275,929
1864	416,443	96 ,507	47,273	1,430,223
1865	446,022	864,240	48,252	1,358,514

The number and classes of passengers carried in the same years were as follows :

Fiscal Years.	Through Passengers.	Way Passengers.	Total Passengers.	First Class.	Second Class.
1856	63,246	558,449	621,695	567,706½	53,928½
1857	59,378	569,676	629,054	570,322	58,732
1858	47,637	484,277	531,914	485,003	46,911
1859	44,261	533,519	577,770	558,751	19,019
1860	41,674	576,208½	617,882½	602,844	15,038½
1861	34,030	529,110	563,140	545,664	17,476
1862	35,497	522,55?½	558,047½	544,6?9	13,408½
1863	56,343	654,214	710,457	698,878½	11,578½
1864	73,965½	862,749½	936,715	922,924	13,791
1865	81,024	929,349½	1,010,373½	1,009,288	1,085½

The number of tons of freight carried are stated in the following table :

Fiscal Years.	Through West.	Through East.	Way West.	Way East.	Thro' & Way West.	Thro' & Way East.	Total tons.
1856	33,054	62,517	104,698	218,401	137,752	280,918	418,670
1857	25,544	40,041	93,728	218,199	119,267	258,240	377,507
1858	18,383	56,215	103,582	259,686	121,965	315,931	437,896
1859	22,673	60,795	115,794	249,083	138,467	309,878	448,345
1860	24,350	66,335	147,788	267,054	172,138	333 409	505,547
1861	20,295	111,?72	106,974	269,638	127,269	380,910	508,179
1862	22,785	113,040	136,521	315,158	159,306	428,198	587,504
1863	30,033	104,776	147,432	380,786	178,365	485,?9?	663,927
1864	27,256	116,288	144,944	394,372	172,200	510,660	682,8?0
1865	20,178	87,254	164,451	412,876	193,624	500,130	963,754

By "through tonnage" is here meant freight from Boston to Albany and *vice versa*.

The following table is interesting, showing as it does the number of barrels of flour transported from Albany and Troy yearly to Boston and way stations :

Fiscal Years.	Barrel of flour to Boston.	Barrel of flour to Way sta'ns.	Barrel of flour to Total.	Fiscal Years.	Barrels of flour to Boston.	Barrels of flour to Way sta'ns.	Barrels of flour to Total.
1856	257,610	208,385	495,995	1861	594,005	254,964	848,969
1857	198,870	207,390	406,260	1862	567,968	328,862	896,830
1858	311,567	207,953	519,520	1863	528,810	436,697	975,007
1859	265,779	182,131	447,910	1864	590,265	331,852	922,117
1860	278,842	171,251	450,125	1865	363,844	332, 89	696,333

The *earnings*, *expenses* and *revenue* from operations yearly for the ten years ending November 30, 1865 have been as follows:

Fiscal Years.	Gross Earnings Pass'ger.	Freight.	Mails, &c.	Total.	Operating expenses.	Revenue or profits.
1856	$812,880	$1,207,789	$95,151	$2,115,820	$1,228,219	$887,601
1857	808,977	1,007,186	94,179	1,910,342	1,084,118	826,294
1858	637,642	968,516	94,135	1,700,293	8?0,980	809,353
1859	679,121	986,305	101,642	1,767,068	936,920	830,148
1860	690,992	1,101,119	89,240	1,881,351	993,096	888,255
1861	613,365	1,164,320	116,883	1,894,568	1,081,571	812,997
1862	634,656	1,351,802	109,404	2,095,923	1,111,358	984,564
1863	837,611	1,479,874	118,277	2,435,712	1,207,007	1,228,705
1864	1,743,318	1,739,796	111,884	2,994,998	1,818,141	1,176,857
1865	1,366,565	1,926,221	138,798	3,431,584	2,204,925	1,226,659

The *distribution of profits* (including result on Pittsfield and North Adams Railroad) has been as follows :

Fiscal Years.	Profits (incl. P. & N. A. R. R.)	Distribution Int't.	Distribution Sk'g funds.	Distribution Divid'ds.	Distribution U.S. tax.	Carried to Surplus.
1856	$889,753	$305,959	$50,000	$386,250	$....	$147,554
1857	824,306	313,127	50,000	412,000	....	49,179
1858	805,249	342,443	50,000	412,000	....	807
1859	828,276	350,179	50,000	412,000	....	16,097
1860	889,024	348,223	50,000	412,000	....	78,801
1861	805,057	338,952	50,000	412,000	....	4,105
1862	961,241	364,444	50,000	412,000	?,371	148,426
1863	1,232,831	438,802	50,000	463,500	14,335	226,194
1864	1,178,712	544,103	50,000	515,000	25,750	43,859
1865	1,282,332	457,296	50,000	543,662	28,614	152,760

The "interest column" includes also the amount of exchanges paid. The "U. S. tax column" is the excise paid on dividends. The "profits" in the second part of the above table where they differ in amount from those of the first part have been increased or decreased by the gain or loss in operating the Pittsfield and North Adams Railroad.

The *financial condition* of the company yearly as exhibited on the balance sheet on the 30th November for the past six years is shown in following statements:

Nov. 30th.	Capital stock.	Funded debt.	Bills, ac't, &c.	In't and divid's.	Skg F'd profits.	Surplus fund.	Total amount.
1860	$5,150,000	$6,269,520	$22,679	$275,746	$1 822,055	$400,644	$13,940,644
1861	5,150,000	6,271,520	99,660	275,766	2,040,714	404,802	14,242,462
1862	5,150,000	6,419,520	70,928	283,617	2,254,773	553,175	14,731,418
1863	5,150,000	6,269,520	25,721	335,960	2 507.616	819 368	15,108,186
1864	5,150,000	6,269,520	29,295	240,871	2,699,301	863,227	15,352 214
1865	5,627,700	6,269,520	27,796	425,245	2,992,761	1,005,788	16,348,805

Against which are charged as follows, viz.:

Nov, 30th	Roads and equipments.	Stocks and secur's.	Ledger bal's.	Materials on hand.	Cash on hand.	Sinking funds— State.	Sinking funds— Albany.
1860	$11,029,079	$15,120	$162,154	$303,879	$144,778	$1,610,769	$671,165
1861	11,635,152	15,120	175,123	300,848	115,927	1.775,890	724,502
1862	11,218,476	15,120	256,423	301,796	225,246	1,936,007	778,350
1863	11,262,856	225,120	225,870	267,246	155,722	2,136,127	834,234
1864	11,271,656	136,900	229,854	290,131	270.726	2,255,962	897,085
1865	11,271,856	959,056	145,313	387,686	132,554	2,506,262	946,078

The column headed "interest and dividends," shows the amount of dividends declared but not paid, and of interest accrued but not due.

The "funded debt" of the company is made up as follows:

Five per cent sterling bonds of the State of Massachusetts issued in favor of the company, and the principal and interest of which are payable by the company					£899,900 @ $4.80=	$4,319,520
viz.: £135,000	$648,000	issued	April 1, 1838,	due	April 1,	1868
337,500	1,620,000	"	Oct. 1, 1838,	"	Oct. 1,	1868
90,000	432,000	"	" 1, 1839,	"	" 1,	1869
180,000	864,000	"	April 1, 1840,	"	April 1,	1870
157,400	755,520	"	" 1, 1841,	"	" 1,	1871
—Interest semi-annually April 1 and October 1, payable at London.						
Six per cent bonds of the city of Albany, issued in favor of, and payable, principal and interest, by the company						$1,000,000
Of which $650,000 were issued 30th May 1840, and $350,000 1st Aug. 1841; and are payable at Boston as follows: $250,000 July 1, 1866; $300,000 July 1, 1870; $200,000 July 1, 1871, and $250,000 July 1, 1876. Interest semi-annually Jan. 1 and July 1 at Boston.						
Six per cent bonds (no mortgage) dated Oct. 1, 1855 and due Oct. 1, 1875, interest semi-annually April1 and Oct. 1 at Boston						800,000
Six per cent loan from Sinking Funds, payable on demand						150,000
Total amount						$6,269,520

Sinking Funds.—The Massachusetts Loan bonds will be retired by the operation of a sinking fund based on the premium on the sale of said bonds, which amounted to $146,467, and an annual payment of 1 per cent on their total amount estimated for this purpose at $4,000,000. The value of this fund Nov. 30, 1865, was $2,506,262, which is invested at 6 per cent interest.

The Albany bonds will also be retired by aid of a similar fund, based on an original investment of 10 per cent of their whole amount, and a payment thereto of 1 per cent annually. The fund Nov. 30, 1865, amounted to $946,078, which is invested at 6 per cent. The redemption of $250,000 of the bonds will take place on the 1st of July of the present year.

DEDUCTIONS.

The cost of road, and the earnings, expenses and profits per mile, with the proportion

of expenses to earnings, and of profits to cost of road, are shown for each of the last ten years in the following statement:

Fiscal years.	Cost of roads per mile.	Gross earn'gs per mile.	Operating exp nses per mile.	Net earnings per mile.	Expenses to earnings.	Profits to cost of road.	Rate of divid'a
1856	$66,122	$13,563	$7,809	$5,754	57.57	8.70	7¾
1857	67,288	12,246	6,949	5,297	56.74	7.87	8
1858	69,808	10,899	5,711	5 188	52.40	7.53	8
1859	69,887	11,327	6.006	5,321	53.02	7.61	8
1860	69,887	12.060	6.369	5,691	52.81	8.14	8
1861	70,334	12,144	6,933	5,211	57.06	7.40	8
1862	70,641	13,435	7.124	6,311	53.16	8 93	8
1863	71,088	15,613	7,737	7,876	49 60	11.09	9
1864	72,333	19,198	11,655	7,543	60.71	10.43	10
1865	72,388	21,997	14,134	7,863	64.24	10.87	10

The above is computed on the length of the main line, 156 miles.

The Western Railroad Company was chartered by the Legisiature of Massachusetts by an act passed April 15, 1833. The construction of the road, however, was not commenced until 1837. In that and the two following years the whole line was placed under contract. The Eastern Division, extending from Worcester to the Connecticut River, was opened for traffic October 1, 1839. The Western Division, from the Connecticut River to the New York State line, was completed and commenced operations by sections in 1841, viz.: From the boundary line of New York to Pittsfield, May 4; from Springfield to Chester Factories, May 24; from from Pittsfield to the Summit, August 9, and from the Summit to Chester Factories, September 13. The bridge across the Connecticut River was completed July 4, 1841, and trains first passed over the whole line from Boston to Albany October 4, 1841.

That portion of the line lying within the State of New York, 38 miles, was constructed under the charter of the Albany and West Stockbridge Railroad Company, granted in 1836. The construction of the road was commenced in 1838, and the first division from Albany to Chatham Four Corners was opened December 24, 1840. Pending the construction of the second division from Chatham to the State Line of Massachusetts, a portion of the line of the Hudson and Berkshire Railroad was used to form the through line. The whole, however, was completed and came into operation, September 12, 1842.

The New York portion, as above described, was constructed by the Western Company, to which it is leased for the term of fifty years, the period of its charter, and for any renewal of the same. Toward the construction of this road the City of Albany subscribed $1,000,000 to the capital stock, paying for the same in city bonds. By the terms of the subscription the stock taken by the city, and which constitutes the entire share capital of the Albany and West Stockbridge Company, is held by the city as collateral security for its bonds. The Western Company having agreed to pay the principal and interest. A sinking fund now in force will satisfy them at maturity, and, whenever the bonds are returned, the City of Albany will release the property of the company.

An agreement between the Western Company and the Pittsfield and North Adams Company was signed January 30, 1846, under which the former took a lease of the road of the latter parties for the period of thirty years, from the date of its completion, and agreed to pay for the use of the property six per cent. on its cost. At the expiration of the stipulated period the Western Company have the right to purchase the road, or re-

new the lease for a further term of ninety-nine years paying annually five per cent. on its cost. The road was finally opened December 1, 1846, and cost about $450,000.

In November, 1854, the Western Company became purchasers, under a sale at auction by the Comptroller of the State of New York, of the Hudson and Berkshire Railroad, then extending from the City of Hudson easterly to the boundary line of Massachusetts, a distance of thirty-one miles. Its cost to the Western Company has been less than $200,000. The section of road east of Chatham has since been disused and the track taken up, and the remaining portion now forms the Hudson Branch of the main line. A separate organization, however, is still kept up for this road, as well as for the Albany and West Stockbridge Railroad, to satisfy the local law.

The interests of the Western Company are so intimately interwoven with those of the Boston and Worcester Company that it appears strange that they should form separate corporations. The lines owned by these companies, indeed, are inseparable, forming, as they do, a great east and west line between Boston and Albany. It is true that several attempts have been made to consolidate them, but no project has yet been adopted to complete such an arrangement. It is to be hoped, however, that wise councils will prevail in this matter, and the unification not be delayed. Under a single authority and superintendence greater economy would be possible, and the property of the joint company be thereby enhanced. It is, however, scarcely possible that operations could be conducted with greater care and convenience to the public than they are at the present time. The Western Railroad and its Eastern connections, indeed, are the pattern roads of the Union.

The company also holds one-third of the capital stock of the West Stockbridge Railroad, a short line of two and three quarter miles, and used as a connecting link between the Housatonic Railroad line and the Western Railroad. It was constructed under the Massachusetts charter by the Hudson and Berkshire Company in 1838.

BOSTON AND WORCESTER RAILROAD.

The Boston and Worcester Railroad forms an important link in the line of railroad between Boston and Albany. Its constituents are as follows:

Main Line	—Boston to Worcester	miles	44.63
Branch Lines—	Boston to Brookline	1.55	
	—West Newton to Newton Lower Falls	1.25	
	—Natick to Saxonville	3.87	
	—Framingham to Milford	11.97	
	—Framingham to Framingham Center	2.06	
	—Grafton to Millbury	3.07—	23.77
Total length of main line and branches			68.40
Second track and sidelngs			62.10
Equivalent single track owned by the company			130.50
Leased road—Agricultural Branch, Framingham Centre to Northboro			15.08

EQUIPMENT—ENGINES AND CARS.

The rolling stock on the road owned by the company at the close of the fiscal years (Nov. 30,) 1859-65, both inclusive, is shown in the following statement:

Close of year.	Locom. engines.	Pass cars 8-wh.	Pass cars 4-wh.	Bag'e 8-wh.	Freight cars 8-wh.	Freight cars 4-wh.	Gravel 4-wh.	Total numb-
1859	30	46	9	8	269	94	73	429
1860	30	49	6	9	272	23	61	420
1861	30	49	1	9	275	13	55	402
1862	30	49	1	9	273	10	51	393
1863	30	45	1	9	308	10	48	421
1864	32	51	1	9	302	9	none	372
1865	35	54	1	9	295	9	none	368

The above are exclusive of cars on the land and steamboat lines between Boston and New York. This company owns 44-236ths of the rolling stock of the land route, which in 1865 consisted of 24 passenger, 11 baggage and express, and 8 post-office cars; and 2-5ths of five passenger and two baggage cars on the steamboat route.

YEARLY OPERATIONS ON THE ROAD.

The mileage of engines with trains, the number of passengers and tons of freight carried, and the equivalent passengers and tons carried one mile yearly for the last seven years, are shown in the statement which follows:

Fiscal years.	Miles run by engines.				Passengers.		Freight.	
	Pass.	Freight.	Other.	Total.	No.	Mileage.	Tons.	Mileage.
1858-59	342,753	160,319	8,901	521,972	1,603,453	25,296,855	327,350	11,605,506
1859-60	340,844	177,798	7,352	525,954	1,601,013	24,979,294	352,999	12,619,150
1860-61	346,345	173,265	9,341	528,951	1,476,394	23,239,178	345,174	13,403,609
1861-62	365,958	193,249	4,910	564,117	1,506,196	24,542,655	382,494	14,876,747
1862-63	363,251	205,354	4,909	573,514	1,689,505	29,425,029	413,731	16,099,090
1863-64	413,488	223,169	1,865	638,522	2,141,196	39,901,252	458,830	17,823,725
1864-65	433,359	217,598	18,277	669,234	2,386,186	40,499,466	427,404	16,050,097

REVENUE ACCOUNTS.

The gross earnings from transportation, the expenses of operating and the resulting profits yearly are shown in the following statement:

Fiscal Years.	Gross Earnings				Operating Expenses.	Yearly Profits.
	Passenger.	Freight.	Other.	Total.		
1855-56	$566,126	$509,225	$33,430	$1,108,781	$671,720	$437,061
1856-57	547,239	438,102	33,707	1,019,148	612,686	406,462
1857-58	504,268	385,615	33,341	923,224	570,929	352,295
1858-59	561,508	471,064	34,498	1,067,070	565,434	501,636
1859-60	559,021	451,543	35,119	1,045,683	606,399	429,284
1860-61	472,729	414,884	41,520	928,933	520,338	408,595
1861-62	967,719		38,411	1,006,130	515,826	490,304
1862-63	1,149,343		53,311	1,202,654	714,296	488,358
1863-64	1,409,685		62,300	1,471,985	984,520	487,465
1864-65	1,003,158	628,500	70,506	1,697,164	1,160,106	537,058

FINANCIAL CONDITION.

The financial condition of the company as shown on the general balance sheet at the close of the fiscal years, (November 30), 1855-56 to 1864-65, both years inclusive; is indicated in the statement which follows:

Close of Year.	Capital Stock.	Funded Debt.	Floating Liabilities.	Dividend (January).	Reserve Income.	Total Amount.
1855-56	$4,500,000	$500,000	$114,514	$135,000	$310,217	$5,639,731
1856-57	4,500,000	500,000	99,974	135,000	421,022	5,655,996
1857-58	4,500,000	500,000	60,774	135,000	382,386	5,528,160
1858-59	4,500,000	500,000	29,595	180,000	541,917	5,751,512
1859-60	4,500,000	.....	47,585	180,000	599,982	5,327,567
1860-61	4,500,000	.....	126,104	180,000	437,076	5,243,180
1861-62	4,500,060	.....	93,654	185,567	556,363	5,335,584
1862-63	4,500,000	.....	247,921	231,959	571,009	5,550,889
1863-64	4,500,000	.....	229,061	236,842	591,607	5,557,510
1864-65	4,500,000	.....	505,214	260,526	648,049	5,913,789

Against which are charged as follows:

Fiscal Years.	Construction Account.	Real Estate.	Gd. Jctn RR bond.	Materials on hand.	Other Assets.	Cash on hand
1855-56	$4,455,411	$48,939	$100,000	$227,918	$359,541	$37,923
1856-57	4,843,779	55,184	100,000	250,042	421,960	35,892
1857-58	4,689,098	54,608	100,000	192,276	497,264	44,914
1858-59	4,728,580	54,458	100,000	188,460	689,946	40,068
1859-60	4,738,442	75,998	100,000	126,938	281,100	5,094
1860-61	4,500,000	92,831	100,000	144,925	335,245	20,179
1861-62	4,500,000	100,028	100,000	144,862	446,551	44,163
1862-63	4,500,000	100,028	100,000	160,358	661,690	28,813
1863-64	4,500,000	100,028	100,000	173,294	659,170	25,018
1864-65	4,500,000	103,008	347,620	206,562	739,581	15,018

DEDUCTIONS.

The following table deduces from the above statements the cost of road and the

gross earnings, operating expenses, and profits per mile; also, the ratio of the expenses to earnings, and of the profits to cost of road:

Fisca Years.	Cost of road per mile.	Earnings per mile.	Expenses per mile.	Profits per mile.	Expenses to Earnings.	Profits to cost of RR.	Dividend stock
1855-56	$70,985	$16,210	$9,820	$6,390	60.58	8.99	6
1856-57	70,890	14,900	8,957	5,943	60.12	8.39	6
1857-58	68,554	13,499	8 347	5.152	61.83	7.51	7
1858-59	69,131	15,600	8,266	7,334	52.99	10.61	7
1859-60	69,277	15,288	8,865	6,423	54.06	9.27	8
1860-61	65,789	13,581	7.610	5,971	56.07	9.07	8
1861-62	65,789	14.709	7,541	7,168	51.22	10.89	8
1862-63	65,799	17,582	10,433	7,049	60.99	10.71	9
1863-64	65,789	21,520	14,393	7,127	66.90	10.83	10
1864-65	65,789	24,812	16,961	7,851	68.39	11.93	10

The above are based on the whole length of the road and branches 68.4 miles in aggregate length.

The Boston and Worcester Railroad Company was chartered by the Legislature, June 23, 1831, and was the first railroad company in the State which was expressly authorized to use the locomotive. The charter provided that no other railroad leading in the same direction should be constructed within a distance of five miles from its route, and also that the State might purchase the line after thirty years from its completion, on payment of cost of construction, and such sums in addition thereto as would be equal to dividends of ten per cent. annually on such cost. With this limitation the charter is perpetual.

The construction of the road was commenced in August, 1832, and the work completed in sections as follows: From Boston to Newton, 9 miles, April 16; Ashland, 24 miles. Sept. 20, and to Westboro, 32 miles, Nov. 15, 1834. The entire line was completed and opened to traffic on the 3d July, 1835. On this road the locomotive engine was used for the first time in New England as the motive power for passenger trains. The second track was completed in 1843.

The Agricultural Branch Railroad was leased for 20 years from Dec. 1, 1855, the Boston and Worcester Company agreeing to pay as rent one-third of the gross earnings of the branch, and of the joint earnings of the two roads on traffic originating or terminating on the branch, excluding Framingham Center Station—the receipts so accruing not to exceed six per cent. on its cost. The Boston and Worcester Railroad Company, however, agreed to pay absolutely six per cent. on $60,000 of the share capital. The rent of this branch is included in operating expenses. In 1864-65 it amounted to $20,969 07.

The Boston and Worcester Company has been one of the most successful in New England. It has never once failed to pay the semi-annual dividend since the road was completed, 31 years ago. These dividends have ranged from 6 to 10 per cent. per annum, and for the whole period 227 per cent. has been paid, being an average rate of 7¾ per annum.

Of late years there have been in contemplation changes in the economies of this company. The first has looked for consolidation with the Western Railroad, and the convenience and greater cheapness of operating the two lines as one. This idea will probably be carried into effect at no distant period. The other change projected is to obtain a more extensive water front in Boston, the present wharfage of the company not being sufficient for the business of the road, and the ready transfer of freight from the cars to the shipping. For the accomplishment of this purpose the

company has been buying up the bonds of the extinct Grand Junction Railroad Company, and with these in hand will purchase its wharf property and railroad. Proceedings are now pending in the Supreme Court which will, it is hoped, soon enable the company to take possession and make it available for the public benefit. The Legislature have also the matter in hand with a view to settling the title. The company contemplate creating storehouses and elevators of a capacity adequate to the transaction of their immense business.

CLEVELAND AND PITTSBURG RAILROAD.

In the MAGAZINE of October 9, 1865, were given an analysis of the reports of this company for the ten years ending November 30, 1864. Referring to this for the previous development of the company, we now propose to compare the results of the year 1864-65 with those of the year next preceding.

The earnings and expenses for the years 1864 and 1865 were comparatively as follows:

OPERATING ACCOUNTS.

	1864.	1865.		
Earnings from passengers	$832,821	$1,029,065	Increase...	$196,244
Earnings from freight	1,571,155	1,569,584	Decrease ..	1,571
Earnings from other sources	108,339	97,728	" ..	10,611
Total earnings	$2,512,315	$2,696,377	Increase...	$184,062
Maintenance and transportation	1,505,636	1,959,583	" ..	453,947
Profits from operations	$1,006,679	$736,794	Decrease...	$269,885

The equipment of the road at the close of the fiscal years 1864 and 1865 was as follows:

EQUIPMENT—ENGINES AND CARS.

	Locomotives.	Pas. train: Pas'nger.	Bag., mail, &c.	Freight train: Box.	Stock.	Platform.	Gondola.	Total cars.	Work. cars.
1865	68	31	39	227	81	17	704	1,099	106
1864	56	28	38	263	90	19	768	1,206	96
Increase	12	3	1	..	..	..	..	...	10
Decrease	..	..	..	36	9	2	64	101	.

The miles run by engines with trains sum up as follows:

MILEAGE OF ENGINES WITH TRAINS, ETC.

	1864.	1865		
Passenger trains	388,079	413,536	Increase. .	25,457
Freight trains	566,613	723,393	" ..	156,780
Wood and gravel trains	281,020	268,981	Decrease..	12,039
Tuscarawas Branch trains	21,100	23,831	Increase...	2,731
Total (engines) miles	1,256,812	1,429,741	Increase...	172,929
Cars hauled one mile	10,617,653	9,825,270	Decrease..	792,383
Tons of freight carried one mile	59,823,382	61,690,300	Increase...	1,866,918

The income of the company from operations and all other sources, for the two years, are shown in the following statement:

INCOME ACCOUNT—PROFIT AND LOSS.

	1864.	1865.		
Assets on hand Dec. 1	$369,807	$200,387	Decrease..	$169,420
Profits from operations	1,006,679	736,794	" ..	269,885
Pitts., Ft. W. & C. Co., on account of division of joint earnings	.....	148,113	Increase...	148,113
Interest and discount	3,678	2,573	Decrease..	1,105
Capital stock account	430,852	937,900	Increase...	507,048
Fourth mortgage bonds issued	7,000	.....	Decrease..	7,000
Sale of real estate	.....	500	Increase...	500
Bills payable issued and outstanding	129,821	.....	Decrease..	129,821
Total	$1,947,838	$2,026,268	Increase...	$78,430

Disbursed as follows, viz:

Pitts., Ft. W. & C. Co., on account of division of joint earnings	$102,689	$	Decrease..	$102,689
Pitts., Ft. W. & C. Co. for lease of road	85,000	85,000	.....	.....
Interest on bonds, &c	289,110	288,267	Decrease..	843
Dividends on stock	330,608	212,929	" ..	107,679
Indebtedness cancelled	12,666	51,055	Increase...	38,389
Bonds converted into stock	270,000	137,000	Decrease..	133,000
Scrip converted and retired	3,344	9,680	" ..	6,336
Claims for damages compromised	.....	10,000	Increase...	10,000
Exoenditures on construction, &c	664,083	876,317	" ..	212,285
Accounts charged off	.....	2,074	" ..	2,074
Assets on hand Nov. 30	200,387	354,144	" ..	153,757
Total	$1,947,888	$2,026,268	" ..	$78,430

The general account of the company Dec. 1, 1864 and 1865 comparatively, reads as follows:

GENERAL BALANCE SHEET.

	1864.	1865.		
Capital stock	$4,266,988	$5,403,911	Increase...	$1,136,923
Second mortgage bonds	1,157,000	1,129,000	Decrease..	28,000
Third " "	1,728,500	1,619,500	" ..	109,000
Fourth " "	1,108,740	1,108,124	" ..	616
River Line bonds	4,000	4,000	.....	.....
Dividend "	24,811	16,725	Decrease..	8,086
Income "	8,500	8,500	.....	.....
Bills payable	134,347	83,292	Decrease..	51,055
Surplus net earnings	348,466	306,256	" ..	42,210
Total	$8,776,352	$9,674,307	Increase...	$897,955

Against which are charged as follows, viz:

Construction	$8,454,040	$9,201,464	Increase...	$747,424
Machinery and tools	58,242	69,985	" ..	11,743
Personal property	29,084	31,800	" ..	2,716
Telegraph lines	16,914	16,914	... ..	.....
Real estate	17,685	.....	Decrease..	17,685
Assets, viz:				
Shop materials	84,347	131,339	Increase..	46,992
Lawrence Railroad & Tr. Co.'s stock	4,125	10,000	" ..	5,875
Bills receivable	12,931	12,231	Decrease..	700
Personal accounts	32,361	23,755	" ..	8,606
Cash	66,623	176,829	Increase...	110,206
Total	$8,776,352	$9,674,307	" ..	$897,955

We copy the following remarks from the report for 1865, which are necessary to elucidate some portions of the above statements:

"We have included in the receipts the amount of $148,113 paid to this company by the Pittsburg, Ft. Wayne and Chicago Railway Company, which is our proportion of the joint earnings of the two roads beyond what was received directly by this company It will be remembered that by the arrangement entered into between the two companies, each company retains its earnings, but a quarterly adjustment is made, and a division of the gross earnings of the two companies in the proportion of 73½ per cent to the Pittsburg, Ft. Wayne and Chicago Railway Company, and 26½ per cent to this company. In case either company has earned more than this proportion, the same proportion of the surplus is paid to the other company.

"This arrangement has been in operation two years and a-half, and the result thus far has shown its substantial fairness. The actual result of this division of earnings from its commencement to the present time, shows that during the two and a-half years of the working of this contract, the Pittsburg, Ft. Wayne and Chicago Railway Company have paid to this company $45,434 more than they have received from us.

"It will be seen that the company received from the sale of stock (2,000 shares,) authorized at the last meeting, the sum of $800,000, and that there has been expended in construction, equipment, and new structures the sum of $676,318. This expenditure has been for objects of vital interest to the company, and the advantage will be found in the future increased earnings and reduced expenses of the company.

"The financial condition of the company is, in a high degree, satisfactory. It will be seen by comparing the financial statement with the statement of last year, that the mortgage indebtedness has been reduced $137,616, and the unsecured indebted-

ness $59,142. The mortgage indebtedness is now only $3,860,624, and the unsecured indebtedness is so small that it could be paid at any time. No debts are unpaid which are due, and all the engagements of the company continue to be promptly met."

The following statement shows the length of road open, and its cost at the close of each of the last ten fiscal years, and the earnings, expenses, and profits yearly:

COST, EARNINGS, EXPENSES, ETC., YEARLY.

Fiscal years.	Miles of road.	Cost of road and equipm't.	Gross earnings.	Operating expenses.	Profits on net rev.	Divi. p. c.
1855-56	173.0	$7,835,140	$629,972	$298,630	$331,342	nil.
1856-57	203.5	9,442,609	739,924	443,957	295,967	"
1857-58	203.5	9,320,289	772,093	439,999	332,094	"
1858-59	203.5	Not stated.	906,710	514,222	392,488	"
1859-60	203.5		1,020,633	564,497	456,141	"
1860-61	203.5	8,218,372	1,114,941	616,335	498,606	"
1861-62	203.5	7,886,095	1,436,317	662,065	774,252	"
1862-63	203.5	7,911,934	1,910,034	874,730	1,035,304	4
1863-64	203.5	8,454,040	2,512,315	1,505,636	1,006,679	8
1864-65	203.5	9,201,464	2,696,377	1,959,583	736,794	5

The statement which follows is a reduction of the above table to cost, etc., per mile, etc.:

PROPORTIONAL DEDUCTIONS.

Fiscal Year-	Cost of road per mile.	Per mile of road—Earnings.	Per mile of road—Expenses.	Per mile of road—Profits.	Expenses to Earnings.	Profits to cost.
1855-56	$45,290	$3,641	$1,726	$1,915	47 40	4.23
1856-57	46,410	3,636	2,181	1,455	59.98	3.13
1857-58	45,800	3,698	2,162	1,536	58.97	3.35
1858-59	45,800	4,455	2,527	1,928	56.72	4.21
1859-60	45,800	5.015	2,774	2,241	55.31	4.98
1860-61	40,375	5,479	3,028	2,451	55.29	6.07
1861-62	38,506	7,058	3,252	3,806	46.07	9.89
1862-63	38,809	9,381	4,298	5,083	45.81	13 10
1863-64	41,543	12,343	7,400	4,943	59.94	11.91
1864-65	45,009	13,250	9,629	3,631	72.67	7.94

The table following gives the range of prices at which the stock of this Company sold at the Stock Exchange at New York in each month of the five years ending with December, 1865:

RANGE OF PRICES OF STOCK.

	1861.	1862.	1863.	1864.	1865.
January	9 @10¾	15¾@16¾	56¾@ 73	105 @120	77½@99¾
February	8 @ 9¾	16 @18¾	65 @ 73¾	110¾@119¾	77½@85
March	9 @ 9¾	17½@20¾	64 @ 78	114¾@128¾	51 @78¾
April	8 @ 9	17 @18¾	67½@ 84	104 @132	57 @81¾
May	7 @ 7	18¾@23¾	82 @108	110¾@117½	55 @77¾
June	7 @ 7	21½@24	80 @ 97¾	110¾@116	55 @64¾
July	7 @ 9	21 @23¾	82½@ 97¾	106 @114¾	65 @71¾
August	6¾@ 7	21¾@25	93¾@105	110 @114	65 @71¾
September	7 @10	24 @36¾	91 @102¾	105¾@117¾	70½@73¾
October	10¼@12¾	34 @43	100¾@115	90 @107	72¾@93
November	11¼@14	36½@42	99¾@112¾	102 @109	80½@97
December	13 @17	46 @59	100¾@109½	91¾@113	83 @94¾
Year	6¾@17	15¾@59	56½@111	90 @132	51 @99¾

The history of this Company and Road is given recently in Vol. 53, No. 4, p.p. 282–287, October, 1865.

PHILADELPHIA, WILMINGTON AND BALTIMORE RAILROAD.

The Philadelphia, Wilmington and Baltimore Railroad constitutes one of the grand links in the chain of railroads forming a very direct line between New York and Washington, occupying the middle section thereof, extending between Philadelphia and Baltimore, a length of 95.95 miles. This chain is continued south and southwest, from Washington and Alexandria by connecting roads to the principal se board

inland, gulf, and lower Mississippi towns, and at New York it connects with the great New England routes to the Eastern markets, and with the lines *via* Albany and Troy to Canada. As a separate and local road it connects the two largest Atlantic cities south of New York, and has branches and extensions into the Delaware peninsula for more than a hundred miles, and must ever remain the sole land outlet of that State and country south of it. A second track is now being laid down, to accommodate its increasing business, and already 58 miles of this are in operation It has also 25.61 miles of side tracks. A branch is also being constructed from Havre de Grace to Port Deposit, on the Susquehanna, and a magnificent bridge is in rapid progress, at the first named place, across the river, which has hitherto been passed on a railroad steamboat transporting the loaded cars from shore to shore. The lines leased by this company are principally in Delaware, and are as follows:

Newcastle and Wilmington R.R.....	Wilmington to Newcastle.....	6.00 miles.
Newcastle and Frenchtown R.R..	Newcastle to Delaware Junct.....	6.00 "
Delaware Railroad.....	Del. Junct. to Delmar (station).....	84.00 "
Eastern Shore Railroad (Md).....	Delmar to Salisbury.....	6.50 "
Total lines in the Delaware Peninsula leased.....	.....	102.50 miles

The Southwark Railroad, which prolongs the main line into Philadelphia from South street to Queen street, 2.12 miles, is also leased by the company, which pays for its use 6 per cent on its cost of $58 368.

The Newcastle and Wilmington Railroad was leased in 1852, the company to pay 7 per cent on its cost ($150,000) for its use.

The Newcastle and Frenchtown Railroad, though included among the leased roads is owned absolutely by the P. W.& B. Company, its stock having been exchanged for that of the latter. It formerly extended across the peninsula 16 miles.

The Delaware Railroad is operated under a lease made in 1856 and to run 21 years. This company pays 6 per cent per annum on its cost, and has lost largely on the contract.

The Eastern Shore Railroad is an extension of the Delaware Railroad into the eastern shore of Maryland. It has recently been completed to Princess Ann about 13 miles beyond Salisbury, and is progressing towards Anamessix Sound. Its total length from Delmar to the Sound will be 31½ miles, and when completed as projected the road will connect by steamboat with Norfolk and the neighboring ports.

In the following statement will be found a summary of the equipment and operations on the company's roads, their earnings, expenses, &c., and the financial condition of the company yearly:

EQUIPMENT—ENGINES AND CARS.

The number of locomotives, engines and cars owned by the company at the close of each of the last five years is stated in the following table:

		Cars on Roads					Miles run by engines
	Locomotives.	Pas. seng'r.	Bag., &c.	Frgt.	Road.	Total.	
1860-61.....	32	78	31	504	61	674	435,780
1861-62.....	37	77	33	630	61	801	582,615
1862-63.....	40	70	40	828	63	1,001	675,865
1863-64.....	49	76	37	948	88	1,149	780,537
1864-65.....	52	83	28	934	88	1,133	981,465

The number and mileage of passengers carried in each year are shown for the following five years;

	Passengers carried			Passengers carried one mile		
	Thro'	Local.	Total.	Through.	Local.	Total.
1860-61.....	129,476	499,622	629,476	12,688,648	15,499,873	28,188,521
1861-62.....	225,388	629,110	854,498	22,088,024	21,485,753	43,573,777
1862-63.....	260,457	781,504	1,071,961	28,464,786	25,836,683	54,301,469
1863-64.....	332,783	1,018,633	1,351,416	32,612,784	30,948,098	63,560,882
1864-65.....	401,843	984,078	1,385,921	39,380,614	38,410,548	77,791,162

The number of tons and mileage of freight carried yearly for five years were as follows:

	Tons of Freight Carried—			Tons of Freight Carried 1 mile—		
	Through.	Local.	Total.	Through.	Local.	Total.
1860-61	58,368	106,984	165,352	5,720,064	3,833,019	9,553,103
1861-62	70,530	105,462	175,972	6,910,974	5,252,477	12,163,451
1862-63	107,486	109,548	217,034	10,533,628	5,078,914	15,612,542
1863-64	107,606	132,692	240,298	10,545,335	5,872,865	16,418,250
1864-65	85,108	150,825	235,929	8,340,094	7,209,541	15,549,635

OPERATING ACCOUNTS—EARNINGS, EXPENSES, ETC.

The following statements show the earnings, expenses and profits of operating the road yearly for the seven years ending Oct. 31, 1865:

Fiscal years.	Gross Earnings P., W. & B. R.R.— Passen'r.	Freight.	Other.	Total.	Earn'gs N. & F.	Gain on Del. R.R.	Aggregate amount.
1858-59	$718,071	$238,795	$58,098	$1,014,964	$21,195	$.....	$1,036,159
1859-60	831,206	317,569	61,724	1,210,598	25,999	.....	1,236,598
1860-61	1,067,275	363,553	63,848	1,494,676	22,308	.....	1,516,984
1861-62	1,645,025	506,350	72,204	2,223,579	27,283	.....	2,250,862
1862-63	1,834,134	527,985	188,129	2,540,248	34,010	....	2,574,258
1863-64	2,423,089	598,632	183,779	3,205,500	51,605	46,976	3,304,081
1864-65	2,992,656	626,559	209,249	3,828,464	56,145	.....	3,884,609

From which the following payments were made:

Fiscal years.	Oper'ng Exp— P.W.&B.	N.&F.	Loss on Del.RR.	New stock.	Interest account.	Divid's on st'k.	Sinking fund.	Balance of acc'nt
1858-59	$412,071	$21,582	$30,007	$.....	$135,000	$336,000	$.....	$101,499
1859-60	451,110	26,671	42,472	104,633	140,000	364,000	33,333	74,379
1860-61	513,791	24,393	53,060	97,045	155,212	364,000	46,667	269,817
1861-62	847,406	27,993	23,488	325,637	143,479	513,639	43,667	523,669
1862-63	942,754	27,948	5,637	471,046	84,606	690,077	53,333	298,855

Fiscal years.							Susq'na bridge & 2d track.	Deficit.
1863-64	1,467,920	23,269	.....	432,177	32,284	805,440	682,512	144,520
1864-65	2,223,909	45,216	2,716	565,965	45,174	982,347	510,768	431,486

"Interest account" includes interest on bonded debt, ground rents, etc., less interest received, being in fact the remainder paid after deducting the amount received.

The "balance of account" for the two last years was against this account—in 1863-64 to the amount of $144,520, and in 1864-65 of $431,486. These deficits were caused by charging to income the expenditures made in those years on the Susquehanna Bridge and the second track. Had these been charged to capital the surpluses would have been $527,992 and $79,282 respectively.

CONDENSED BALANCE SHEET.

The financial condition of the company, as exhibited on the balance sheet at the close of each fiscal year for the seven years ending October 31, 1865, is shown in the following statements:

	Capital stock.	Funded debt.	Current liabilities.	Credit of revenue.	Total amount.
1859	$5,600,000	$2,498,435	$146,855	$223,223	$8,468,513
1860	5,600,000	2,469,300	174,252	220,690	8,464,242
1861	5,600,000	2,475,500	175,993	490,507	8,742,000
1862	5,620,500	2,599,000	274,709	1,014,197	9,508,406
1863	7,460,000	1,257,500	291,926	1,313,052	10,322,478
1864	8,657,300	832,000	450,682	1,168,512	11,114,514
1865	8,973,300	516,000	452,396	727,046	10,669,242

Against which are charged—

	Railroad & appurte'ces.	Assets.— R'l estate.	Stocks, &c.	Acco'nts.	Advances & impr'em'ts.	Total amount.
1859	$7,788,786	$208,000	$119,552	$273,213	$78,962	$8,468,513
1860	7,786,444	205,650	139 896	279,375	53,877	8,464,242
1861	7,766,137	205,650	142,840	774,513	53,510	8,742,000
1862	7,724,350	205,650	646,111	873,092	60,203	9,508,406
1863	8,248,144	205,650	755,762	967,761	115,141	10,322,478
1864	9,106,920	205,650	598,662	1,042,148	161,154	11,114,514
1865	9,106,547	55,650	392,184	866,900	247,961	10,669,242

Under the head of "Railroad and appurtenances" is included $744,520 being the stock of the Newcastle and Frenchtown Railroad Company exchanged for this company's stock.

The capital stock was increased by the issue of Oct. 1, 1864, $786,200, and by conversions of the mortgage loan $1,937,000. The mortgage loan originally $2,600,000 has been reduced to $496,000, 167 bonds having been redeemed and cancelled, and 1937 bonds converted as above into capital stock.

PROPORTIONAL DEDUCTIONS.

In the following table are shown the cost of the road per mile, the gross earnings, operating expenses, and profits per mile, the proportion of expenses to earnings, and of the profits to cost of road, with the rate of dividends on the share capital.

Fiscal Year.	Cost of Road per mile.	Earn'gs per mile.	Expenses per mile.	Profits per mile.	Expenses to earnings.	Profits to cost of road.	Rate of Dividend.
1858-59	$81,133	$10,793	$4,829	$5,964	44.74	7.34	6 per cent.
1859-60	81,109	12,881	6,509	6,372	50.54	7.85	6½ "
1860-61	80,897	15,802	7,169	8,633	45.39	10.67	6½ "
1861-62	80,402	23,446	12,755	10,691	54.51	13.28	9 "
1862-63	87,585	26,815	15,077	11,738	56.25	13.40	10 "
1863-64	94,864	34,418	20,089	14,329	58.39	15.10	10 "
1864-65	94,864	40,464	29,560	10,904	73.16	11.51	10 "

The stock of this company is chiefly owned in Boston, and sales are seldom made in other then the Boston market. The following table shows the monthly and yearly range of prices on a par of $50 per share.

PRICES OF STOCK AT BOSTON—DIVIDENDS, APRIL AND OCTOBER.

	1863.	1864.	1865.
January	59¾@69¾	65 @68	68¼@72½
February	66¼@70¾	67¼@71¼	67¾@68½
March	67 @72	70½@74	60 @68
April	67¾@70¾	71½@77	59½@63
May	68½@74¾	70¾@74	58¾@62½
June	67 @72	74 @75	58¼@60
July	68½@73½	72 @75¼	60 @66¾
August	65¼@72	74½@74¾	65 @66½
September	67½@69¾	65 @74¾	61 @66
October	67¼@69	63½@65	60¼@62
November	66¾@68¾	63¾@68¼	58¾@61¼
December	66 @67¾	67½@68¾	59¼@60
Year	59¾@74¾	63½@77	58¾@72
Equivalent, $100 shares	119½@149½	1 7@154	116¼@144

The Philadelphia, Wilmington & Baltimore Railroad Company is a consolidation of four original companies, viz.: the Philadelphia & Deleware County, chartered by Pennsylvania, April 2, 1831, the Wilmington & Susquehanna, chartered by Delaware, January 18, 1832; the Delaware & Maryland, chartered by Maryland, March 14, 1832, and the Baltimore & Port Deposit, chartered also by Maryland, March 7, 1832.

In March, 1836, the title of the Philadelphia & Delaware County Railroad Company was changed to that of the Philadelphia, Wilmington & Baltimore; and in the following April the Wilmington & Susquehanna and the Delaware & Maryland Companies consolidated under the title of the Wilmington & Susquehanna Railroad Company. These several Companies and the Baltimore & Port Deposit Company consolidated their interests in 1838 (Feb. 5) under the title of Philadelphia, Wilmington & Baltimore, to form a single consolidated railroad between Philadelphia & Baltimore.

Previous to consolidation the several companies had commenced, and partially

completed their roads. The Philadelphia & Delaware County had completed their road in 1837. The Baltimore & Port Deposit had opened their road from Baltimore to Havre de Grace, having changed their northern terminus from its original locality. In the same year the Delaware & Maryland Railroad was completed. In 1838 the viaduct over the Schuylkill river was finished, and a connection opened to Philadelphia by means of the Southwark Railroad.

In 1840 the Newcastle & Frenchtown Railroad Company was merged into the Philadelphia, Wilmington & Baltimore Company by an exchange of stocks. It was chartered by Delaware, Feb. 7, 1829, and the road constructed in 1830 31. It originally extended from Newcastle 35 miles below Philadelphia to Frenchtown on Elk River, one of the head streams of Chesapeake Bay; and in connection with steamboats on the Delaware & Chesapeake for many years formed a part of one of the principal routes between the North and South. Since the completion of the Newcastle & Wilmington Railroad, however, the steamboat connections have been discontinued, and that portion of the railroad west of Delaware Junction has been taken up. Its original cost was about $700,000.

Of the Delaware Railroad and its extension into Maryland we have heretofore alluded. These form a main trunk line through the State of Delaware and part of Maryland, and will be extended at no distant date to the extremity of the peninsula. Several railroads are also projected and in progress from this trunk line to points on the opposite waters.

Of late years, especially during the late war, the business of the Company has been largely increased, and large expenditures have been made to accommodate it. A bridge is also being built over the Susquehanna at Havre de Grace which will do away with the steam ferry now used for crossing. A branch is also to be constructed from Havre de Grace to Port Deposit. The second track now being laid down will probably be completed during the present year. With these improvements the road will be one of the more complete in the Union, and being in the direct North and South line of travel must ever be one of the most frequented and remunerative.

The quotations of its stock in the markets is an ample testimony to the ability and faithfulness of those who have the management of the Company's affairs. In 1863 the profits from operations reached 15 per cent on the cost of the road; and for the past three to four years the stock has received ten per cent dividends.

NORTHERN CENTRAL RAILWAY.

The Northern Central Railway runs almost due north from Baltimore, Md., to Sunbury, Pa., and with its connections forms a through route to Lake Ontario, via Rochester. It is intersected by several important roads which connect it with the coal fields, and near Harrisburg it connects with the Pennsylvania Railroad, to which passengers and freight are transferred for Pittsburg and the Northwest, and at Sunbury with the Philadelphia and Erie Railroad, now open to Lake Erie. The constituents of this road are as follows:

Main line—Baltimore to Sunbury	miles		186
Branch line—Rockdale to Canton			4
Total length of route owned by company			142
Second track, 56 miles, and sidelings, 36 miles.			
Leased roads—Wrightsville, York, and Gettysburg R. R.	miles	13	
do Shamokin Valley and Pottsville Railroad		28	
do Elmira and Williamsport Railroad		78—	119
Total length of route owned, leased, and operated			261

The Philadelphia and Erie Railroad is used between Sunbury and Williamsport as a connecting link between the main line and the Elmira Railroad.

EQUIPMENT—ENGINES AND CARS.

The following table gives the number of engines and cars owned by the company on the 31st December, yearly:

	Loco-motives.	Car equipment.				
		Pass.	Bag, &c.	Freight.	Coal.	Others.	Total.
1859	41	31	8	921	785	..	1,745
1860	41	31	8	980	785	..	1,754
1861	41	30	10	656	744	..	1,440
1862	51	30	12	761	801	8	1,612
1863	58	29	17	896	947	8	1,847
1864	63	47	23	1,319	2,132	18	3,539
1865	87	58	27	1,947	2,061	14	3,401

In 1865 the engines were distributed as follows: 60 on the Northern Central Railroad, 18 on the Elmira and Williamsport Railroad, and 9 on the Shamok in Valley line. A due proportion of cars are on each of these lines.

OPERATING ACCOUNTS—RECEIPTS, EXPENSES, ETC.

The following statements exhibit the gross earnings, the operating expenses, and the resulting profits yearly, for 1859-65, both inclusive. The gross earning were as follows:

Fisc. years.	Northern Central and Branch.					Shamokin Division.	Elmira Div.	Total amount.
	Pass.	Freight.	Milit'y.	Other.	Total.			
1859	$252,096	$646,763	$.....	$30,064	$929,528	$.....	$.....	$929,528
1860	268,533	699,160	.....	50,910	1,018,103	.....	.....	1,018,103
1861	299,762	685,450	396,835	95,930	1,417,977	.....	.....	1,417,977
1862	487,118	1,031,469	316,413	85,641	1,920,641	.....	.....	1,920,641
1863	592,676	1,263,561	307,739	141,472	2,307,448	144,728	297,391	2,749,567
1864	752,937	1,494,555	586,907	217,270	3,051,669	226,318	656,518	3,934,505
1865	899,659	1,721,390	438,018	949,683	3,337,597	316,498	580,973	4,235,068

The operating expenses and profits were as follows:

Fiscal years.	Operating expenses.				Profits from operations.			
	N. C. & br.	Sh'mk.	Elmira.	Total.	N. C. & br.	Shamk.	Elmira.	Total.
1859	$589,012	$.....	$.....	$589,012	$340,516	$.....	$.....	$340,516
1860	734,476	.....	.....	734,476	283,627	.....	.....	283,627
1861	681,832	.....	.....	681,832	736,145	.....	.....	736,145
1862	993,300	.....	.....	993,300	927,341	.....	.....	927,341
1863	1,686,867	57,616	294,422	1,968,905	620,581	87,112	72,969	780,662
1864	1,966,283	118,837	612,777	2,697,887	1,085,386	107,491	43,741	1,236,618
1865	2,299,219	200,492	764,345	3,264,096	1,038,847	116,006	*	970,983

With regard to the leased roads, it may be stated that while the Shamokin Valley Railroad has proved a paying concern, the Elmira and Williamsport Railroad has made (including rent) an annual loss to the company, viz., in 1863 to the amount of $37,198, in 1864, $21,259, and in 1865 $348,371. Both are leased for 999 years—the first from Feb. 1, and the latter from May 1, 1863, at which dates respectively possession was taken of them. The great increase in the operating expenses of the Elmira Division in the two last years, have been caused by extraordinary demands, and will now cease.

PROFIT AND LOSS ACCOUNT.

The following statement shows the receipts from all sources yearly, according to the treasurer's account, and the disposition made of the same. This account, in fact, is an exhibit of the aggregate financial transactions of the company for the years to which they refer.

---

* The Elmira Division in 1865 showed a loss of $188,971.

The receipts from all sources were as follows:

Fiscal years.	Balance Jan. 1.	Rec'pts of earnings.	Interest, divi- dends, &c.	Sinking fund.	Sun- dry ac- counts	Aug- mented capital.	Total amount.
1859	$370,250	$929,528	$7,104	$2,850	$....	$.....	$1,309,732
1860	412,164	1,018,103	10,191	.....	....	.....	1,440,458
1861	347,901	1,417,977	8,808	28,353	7,816	.....	1,810,855
1862	372,179	1,920,641	8,716	227,005	5,712	.....	2,534,253
1863	777,349	2,564,203	26,486	.....	....	.....	3,368,038
1864	260,974	8,908,328	26,177	.....	....	1,084,860	5,280,339
1865	237,542	4,235,068	7,320	.....	....	1,351,356	*6,308,954

From which the following disbursements were made:

Fiscal years.	Oper- ating ex- penses.	Rents of leased roads.	Interest, disc'nt & exch'ge.	Sink- ing funds.	Divi- dends on stocks.	Construc- tion and equipm't.	Balance Dec. 31.
1859	$592,215	$18,084	$284,065	$10,224	$.....	$....	$412,164
1860	744,475	18,951	348,980	.....	.....	.....	347,901
1861	871,711	11,381	388,329	†167,184	.....	.....	372,179
1862	993,800	10,686	322,676	31,025	.....	.....	‡1,176,566
1863	1,968,905	181,935	824,525	§350,463	.....	281,235	260,974
1864	2,697,887	250,271	305,861	‖55,562	879,742	1,253,473	237,542
1865	3,264,066	258,963	320,547	53,000	345,779	1,400,095	.....

The financial condition of the company on the 31st December, yearly, for the last seven years, will be found in the following abstracts of the

CONDENSED BALANCE SHEET.

Close of years.	Share capital.	Funded debt.	Debt to Balti- more.	Bills, &c, pay- able.	Interest & divi- dends.	Operat- ing ac- counts.	Profit and loss.	Total amount.
1859	$2,260,000	$4,728,800	$850,000	$485,549	$27,656	$343,406	$412,164	$9,007,605
1860	2,260,000	5,040,300	850,000	240,615	103,227	209,808	347,901	9,041,851
1861	2,260,000	5,150,000	850,000	250,980	212,445	212,798	372,179	9,308,402
1862	2,260,000	5,150,000	850,000	5,524	96,680	299,851	1,176,566	9,838,621
1863	2,260,000	4,850,000	850,000	283,611	121,008	788,721	1,291,890	10,346,232
1864	3,344,860	4,850,000	850,000	150,000	181,955	1122,660	600,132	11,099,607
1865	4,518,500	4,850,000	361,244	528,560	226,378	866,923	682,897	12,044,441

Against which are charged the following:

Close of year.	Railroad & appur- tenances	Sink- ing funds.	Stock and bonds.	Mate'als and supplies.	Due f'm United States.	Cash on hand.	Operat- ing ac- counts.	Total amount.
1859	$8,244,635	$277,640	$251,648	$87,580	$.....	$166,052	$.....	$9,007,605
1860	8,409,505	277,640	214,998	62,429	.....	77,279	.....	9,041,851
1861	8,228,731	86,157	458,548	54,865	212,452	90,265	177,424	9,308,402
1862	8,409,577	249,640	466,138	70,048	319,004	106,633	217,591	9,838,621
1863	8,690,812	300,103	496,396	271,051	164,383	229,612	193,875	10,346,232
1864	8,951,785	455,664	124,275	600,447	450,965	227,854	288,617	11,099,607
1865	10,351,580	585,430	128,775	328,159	245,095	297,219	159,883	12,044,441

Under a resolution of the stockholders, at an adjourned annual meeting April 15 1864, the stock of the company was ordered to be doubled, for the purpose of raising funds to pay for a second track and an increase of rolling stock, become necessary for the transaction of the increased business of the road. Previous to this all improvements, etc. had been charged to revenue, and which made it impossible to pay dividends. The new stock was subscribed chiefly by the old stockholders, and taken at par. The profits from operations are now paid to the stockholders.

PROPORTIONAL DEDUCTIONS.

The following table, reduced from the foregoing statements, exhibits the cost of the

* Includes $477,668 balance of cash liabilities representing temporary loans contracted to pay claims of the city of Baltimore purchased by the company, viz., $666,472, which sum, though not appearing above, belongs to the disbursements of 1865.

† Chiefly back instalments now paid up.

‡ This sum is represented in next year's account as $777,349, without any explanation, being an apparent error of $899,217.

§ Including $800,000 bonds paid.

‖ Including $100,000, a special appropriation by order of the Directors.

property of the company per mile, as measured by the mileage of the main line (138 miles); the earnings, expenses and profits per mile, the proportion held by expenses to earnings, and the ratio of profits to cost of road, etc.:

Fiscal Year.	Cost of road, &c., per mile.	Amount per mile—Gross earn'gs.	Operat'g expen's.	Result'g profits.	Expenses to earnings.	Profits to cost of road.	Div'ds on st'k pr cnt.
1859	$59,744	$6,735	$4,268	$2,467	63.37	4.11	*Nil*
1860	60,938	7,377	5,322	2,055	72.14	3.37	do
1861	59,629	10,275	4,941	5,334	48 09	8.99	do
1862	60,939	13,917	7,197	6,720	51.71	11.03	do
1863	62,977	16,721	12,225	4,496	73.12	7.10	do
1864	64,868	22,113	14,248	7,865	64.39	12.12	8
1865	75,013	24,185	16,661	7,524	68.89	10.03	8

PRICES OF STOCK AT BALTIMORE 1863–1865.

The range of quotations for the stock of this company at Baltimore, (on a par of $50) monthly and for the year, have been as follows:

	1863.	1864.	1865.
January	34 @39	43½@45¼	52 @53¼
February	39½@41	42½@46	52 @54
March	39 @40	43¾@60	44 @45
April	35 @38	57 @61½	45 @45¾
May	37¾@43	58 @62½	45 @47½
June	35 @43	59½@61½	45 @45½
July	35 @41	58 @59	44½@45
August	40 @40	57 @57	44½@46
September	38¾@42	52 @52½	44½@45
October	43 @48	50 @51¼	44 @44¾
November	41 @45	51¾@56	44 @44¾
December	42 @44	54 @56½	44¼@45
Year	34 @48	42½@62½	44 @54
Equivalent $100 shares	68 @96	85 @125	88 @108

The Northern Central Railway Company is a consolidation of the Baltimore and Susquehanna, the York and Maryland line, the York and Cumberland and the Susquehanna companies.

The Baltimore and Susquehanna Railroad Company was chartered by Maryland March 13, 1828, with authority to construct a railroad from Baltimore to the State line of Pennsylvania. Construction was commenced in the following year, and the road to Relay House, about seven miles north from Baltimore, completed and opened for traffic July 4, 1831, and to Timonium, 11 miles, Oct. 16, 1832. In the same year the Westminster Branch to Owing's Mills, nine miles, was brought into use. The section from Timonium to the State line, about 25 miles, was commenced in May, 1835, and completed in the early part of 1838.

The York and Maryland Line Railroad Company was chartered by Pennsylvania, March 14, 1842, and the road, 22 miles long, completed in August, 1838. This road was wholly constructed and owned by the Maryland Company.

The York and Cumberland Railroad Company was chartered by Pennsylvania April 21, 1846, to construct a road from York to Bridgeport. Work was commenced in 1840, and the road, 27 miles long, completed in February, 1851.

These several roads were operated by the Baltimore and Susquehanna Company, and formed a continuous line from Baltimore to Bridgeport, a distance of 84 miles. The company also operated, from the date of its completion in April, 1840, the Wrightsville, York and Gettysburg Railroad; also the Westminster Branch road, and for several years the Hanover Branch Railroad.

The Susquehanna Railroad Company was chartered in Pennsylvania, April 14, but no portion of the road was completed before the consolidation.

The acts authorizing the consolidation of the above companies were passed—in Maryland, March 10, and in Pennsylvania May 3, 1854—and the name was consummated

December 4 of the same year. The consolidation became operative Jan. 1, 1855. To complete the Susquehanna division of the line from Bridgeport to Sunbury, and to extend the same from Baltimore to a junction with the Philadelphia, Wilmington and Baltimore Railroad at Canton, were the first undertakings of the consolidated company. Construction was commenced on the former in the Spring of 1856, and road completed and opened for business, from Dauphin to Millersburg, Jan. 1, 1857, to Trenton July 1, 1857, and to Sunbury August 1, 1858. The section between Bridgeport and Dauphin, including the bridge over the Susquehanna, was completed early in 1858. The Canton Branch was opened early in 1859. In the Spring of the last named year a telegraph was erected along the line from Sunbury to Bridgeport, and in the fall between Bridgeport and Baltimore.

Thus the whole road had been opened at the beginning of the period embraced in the statement given in the foregoing tabulations. The road, however, was defective, both as to condition and rolling stock, and the earnings, which ought to have been distributed to the stockholders, were necessarily directed to complete and furnish it. Improvements were undertaken, and the road placed in as good a condition as the means of the company would allow of. The vast development of its business during the late war, however, required immediate accommodation, and hence it became necessary to obtain enlarged means. Under these circumstances the company duplicated the share capital, increasing it from $2,600,000 to $5,200,000. This sum was applied, partly to furnishing the road with a second track, and partly to an increase of engines and cars. Large outlays, however, are still necessary to bring the work nto an economic working condition, and these are being made as rapidly as circumstances will permit of.

In 1863 the company entered into contract of lease with the Shamokin Valley and Pottsville and the Elmira and Williamsport Companies, leasing both their roads for 999 years. These are now operated by the company with great advantage to their general business. Through the road of the last named company a through route is formed from Baltimore to Elmira and Rochester.

In the early days of the war the road and property of the company were seriously damaged by the insurgents.

SOUTH CAROLINA RAILROAD.

We have before us the report of the South Carolina Railroad Company for the year ending Dec. 31, 1865. This road, in common with all others in the South, suffered severely during the war. In the Spring of 1865, the destruction of property by the forces under Sherman completely closed it to traffic. Road, buildings and equipments were overwhelmed in the general wreck.

The losses sustained by this company are thus summed up in the report:

Depots, machine shops, tools, etc.	$126,749
Seventy-nine miles of road, bridges, etc., (estimated cost to restore)	511,361
111 negroes emancipated	190,973
Cars and locomotives	410,031
Materials and machinery	380,000
Total loss of property	$1,629,114

The above are exclusive of the loss of assets, amounting to the nominal value of $3,612,946; and by the increased indebtedness of the company, equivalent to a loss, on account of interest on debt, amounting, Dec. 31, 1865, to $195,799.

The debt of the company, as it stood at the end of 1865, was as follows:

Sterling bonds, due Jan. 1, 1866		$2,000,000
Domestic or dollar bonds		1,071,000
Total original debt		$3,071,000
Interest due Dec. 31, 1865, viz:		
On sterling bonds	$362,167	
On domestic bonds	133,632	
		495,799
Total debt to be provided for		$3,566,799

Of the domestic bonds, $234,000 are past due, and the remainder is payable —$101,000 Jan. 1, and $86,000 Oct. 1, 1868; $400,000 in equal annual instalments April 1st, 1869, '70, '71 and '72, and $250,000, one-half Jan. 1, 1873, and one-half Jan. 1, 1874.

It thus appears that the whole of the sterling ($2,000,000), and nearly a fourth part of the domestic debt are past due; and to these principal sums must be added the accumulated interest, $495,799, making a total of $2,729,799 requiring immediate liquidation.

What the company has already done, and what they propose to do in relation to their indebtedness, is thus stated by the Board of Directors:

"In anticipation of the maturity of the foreign debt, application was made to the Legislature of the State for a renewal of the State's guarantee upon the new bonds they designed to recommend to the stockholders to offer to the bondholders in substitution of those past due and the accrued interest. An act was accordingly passed authorizing the endorsement of the State's guarantee. The agents in England of the foreign bondholders have been notified of the passage of the act and of the company's view of the best mode of arranging the debt. The plan at present contemplated is as follows: 1. To substitute new bonds for the old, due at the same time and same rate of interest, that is to say, at 20 years, and at the rate of five per cent per annum. 2. To fund the accrued interest to Jan. 1, 1866, at the same time and rate of interest as the principal of the debt; and—3. To provide by regular semi-annual payments, out of earnings, for the retirement of the entire sum at maturity. The domestic debt, in the matter both of principal and accrued interest, the Board propose to meet precisely as they expect to do with the foreign debt. These arrangements, however, will necessarily wait upon the conclusion of negotiations abroad."

The present condition of the company's affairs is thus summed up in the general balance sheet:

Capital stock, Dec. 31, 1860	$3,879,475
New shares (38,796 at $50)	1,939,800
	$5,819,275
Bonded debt, as above stated	3,071,000
Bills payable	44,822
Change notes	1,971
Coupons, as above stated	495,799
Pay rolls	1,400
Transient creditors	167,485
Net income (after paying for coupons), June 19 to Dec. 31, 1865	196,985
Total	$9,798,557
Against which are charged—	
Road, depots, &c., Dec. 31, 1864	$7,118,499
Deduct estimated cost of property destroyed in 1865	668,110
	$6,450,389
Railroad	428,879
Locomotives and cars	408,409
Machinery and tools	197,418
Supply of materials, &c	71,308
Materials, &c., to arrive	91,088
Restoration of property	335,781
Bills and bonds receivable, cash, &c	145,165

Stocks, steamship companies		17,527
" railroad "		261,535
Open accounts and transient debtors		57,439
Loss of property	$1,629.114	
Loss of assets	3,612,946	
	$5,342,060	
Less balance of surplus income, and net income from Jan. 1 to June 19, 1865	3,926,041—	1,316,019
Total		$2,798,557

The report contains, besides the financial statements, of which the foregoing are abstracts, several statements in relation to the past business of the company. One of the most interesting of these statements shows the quantities of cotton, grain, live stock, &c., carried to Charleston by the South Carolina Railroad from 1844 to 1865 inclusive. In these 22 years we find that 5,411,971 bales of cotton were delivered in Charleston from the interior, an annual average of 245,998 bales, varying from the maximum in 1855, when it reached 479,554, to the minimum in 1864, when it was only 10,315 bales. In 1860 there were transported 314,619 bales; in 1861, 120,673; in 1862, 24,884; in 1863, 48,145; in 1864 (as above), 10,315; and in 1865, 35,526 bales. No flour is reported for the past two years of the series. The number of barrels from 1846 to 1865 was 823,877—ranging from 145,970 in 1857 to 125 in 1850. In the same period of time, 4,842,447 bushels of grain were delivered; in 1855, 817,662; in 1857, only 547. Yearly average, 217,122 bushels, &c., &c.

Nearly all these tables show that the business of the road was steadily on the increase from year to year up to the commencement of the war; and if the indications since the re-instalment of the company are taken into consideration, there is every reason to anticipate a continuance of the same prosperous condition, especially when the country shall have recovered from the prostration of its industry caused by the war.

As principal indication of such a result, we may state that the earnings from June 19 to December 31, 1865, were much larger than could have been expected. Through this period of general prostration, with an incomplete road and wretched equipment, the gross earnings amounted to $413,757; and after deducting operating expenses, and providing for the half year's interest on the company's debt, there was a remainder, or net income of $196,985,

The restoration of the road and its equipment has been going on since the 19th of June, 1865. At that date the company was re-instated by the military authorities. The report gives ample detail of all these movements, which are interesting, but not suitable for these columns. By the end of the year the road had been restored as far west as Columbia. The Augusta Division was not re-opened until the commencement of the current month. About two-thirds of the ordinary number of engines and cars are now in use.

MR. McCULLOCH'S LETTER ON THE DISTRIBUTION OF NATIONAL CURRENCY.

The following is a letter of Mr. McCulloch, Secretary of the Treasury, to Senator Fessenden on the subject of distribution of the currency by withdrawing amounts issued to certain states above what they were entitled to receive, and issuing to other states and territories which have not received their proportion.

TREASURY DEPARTMENT,
WASHINGTON, D C., April 12, 1866.

DEAR SIR: Your note of the 10th instant, transmitting Senate bills No. 254 and No. 256, and asking for certain statistical information relative to the apportionment

of national currency, was duly received in accordance with your request, I hand you herewith a tabular statement showing the apportionment made, as directed; also a list of banks, classified by States, which would be affected by the passage of Senate bill No. 254.

Senate bill No. 256 proposes to furnish circulation to those States and Territories which are not yet provided for, without exceeding the $300,000,000 authorized by the act of June 8, 1864, by withdrawing the amount any State may have received over twenty dollars for each inhabitant. By reference to the accompanying statement, it will be ascertained that but three States have received or secured circulation in excess of this amount per capita, viz:

Massachusetts	$39,446,813
Connecticut	10,144,660
Rhode Island	9,982,364
Making in all	59,573,837

Which would probably be enough to supply the deficiency in other States and Territories.

The bill is seemingly general in its provisions, but in effect it singles out these three States and reduces their circulation to a certain arbitrary standard. It practically says, "The circulation of National Banks in Massachusetts shall be diminished sixty per cent; the circulation of National Banks in Connecticut shall be diminished fifty-two per cent; and the circulation of National Banks in Rhode Island shall be diminished seventy-four per cent."

Apart from the imputations to which such a proposition would be liable, I think the principle upon which the reduction is based is not a correct one. There is no necessary or natural proportion existing between circulation and population. One hundred and seventy-five thousand of the rural population of Ohio and Illinois do not need a tenth part of the circulation required by the manufacturing and commercial community of Rhode Island. A well-to-do farmer may not receive for his products more than $5,000 in the whole year, and a community of farmers require but little in the way of banking facilities; but skilled labor, capital, and machinery combined produce millions. The value of manufactures produced annually in Massachusetts exceeds by more than one hundred and forty per cent the combined manufactures of Illinois and Ohio, while the combined population of those States exceeds that of Massachusetts by more than two hundred and twenty-five per cent. Hence any fixed ratio between circulation and population is an arbitrary ratio, and impracticable.

Senate bill No. 254 is an amendment to section 21 of the present National Currency Act, and proposes to withdraw circulation from banks by reducing the ratio which it shall bear to capital. It will affect banks in all the States more or less, but by a certain fixed rule. The reduction is to be effected gradually, as the circulation becomes worn and mutilated is returned for redemption. The amount by which the circulation is to be thus diminished approximates $25,000,000, and it is proposed, in anticipation of this reduction to authorize the issue of circulation to banks in States that have secured the least proportionate amount of circulation, as it may be needed.

If the committee shall determine that the reduction contemplated by bill No. 254 may properly be effected by virtue of the reserved right to "amend, alter, or repeal" the act of June 8, 1864, I trust they will report favorably on the bill under consideration.

I think it is important that solvent State banks should have an opportunity to become National Banks. Otherwise, by the operation of a law of the United States they will be compelled to wind up after the 1st day of July next.

I also think it a matter of great importance that provision should be made to meet the wants of those States which have been in rebellion. Banking facilities are necessary to develop the industrial interests of the South, and to stimulate the production of those staples which enter so largely into the financial interests of the country. At the same time it would be wise policy to afford the people of that section an opportunity to become pecuniarly interested in the successful maintenance of the Government of the United States; and, inasmuch as Congress has assumed entire controll of the currency of the country, and, to a very considerable extent, of its

banking interests, prohibiting the interference of State Governments, it would seem to be the plain duty of Congress to make adequate provision to meet the business wants of all sections of the country in the way of banking facilities.

Very respectfully, yours, H. McCULLOCH, Secretary.

Hon. W. P. FESSENDEN,
Chairman Committee on Finance, United States Senate.

OFFICE OF COMPTROLLER OF THE CURRENCY,
TREASURY DEPARTMENT, WASHINGTON, April 12, 1866.

DEAR SIR: Your communication of the 10th instant, transmitting Senate bill 256, and asking for certain statistics relating to the apportionment of national currency, was duly received, and in accordance with your request I send you herewith a tabular statement, showing—

1st. The population of each State and Territory of the United States by the census of 1860.
2d. The circulation now authorized in each State and Territory.
3d. The amount of such circulation to each inhabitant of each State and Territory
4th. The apportionment of one hundred and fifty millions of the circulation authorized by law to the several States and Territories according to population by the census of 1860.
5th. The States have secured circulation in excess of twenty dollars for each inhabitant.

I also enclose a list of the banks, classified by States, which would be affected by the amendment proposed by Mr. Fessenden, which I respectfully submit.

It will be observed that but three States have received or secured circulation in excess of $20 *per capita*—Massachusetts, Connecticut and Rhode Island—the three having an aggregate excess of $59,573,837.

The withdrawal of this sum would of necessity be severely felt. The fact that it is proposed to be withdrawn proceeds upon the supposition that a circulation of $20 for each inhabitant is sufficient for the business wants of those States. This suggests the inquiry whether population is the proper basis for circulation. If the people were all engaged in the same kind of business, it might be correct, but even then it would be desirable to know *how much business* was carried on in any particular State before the amount of circulation for that State could be determined. But if you take into account the various branches of industry, and the extent to which they are carried in the different States, it will be evident that circulation should not be apportioned according to populationalone. In point of population Illinois is the fourth State in the Union, and Connecticut is the twenteith; yet Connecticut produces manufactures to the amount of $82,000,000 annually, and Illinois but $58,000,000. Ohio is the third State, and Massachusetts the sixth; but while the product of Ohio manufactures is but $122,000,000 per annum, Massachusetts produces annually $256,000,000. An agricultural population does not require so large a circulation as a commercial or manufacturing community. The tabular statement which I send you shows that Rhode Island has the largest *per capita* circulation of any State in the Union, but Rhode Island does nearly one-third more business in proportion to its size than Massachusetts, and needs a larger proportionate circulation.

The question which you have under consideration is one in which I take considerable interest, which must be my apology for saying as much as I have as to the manner in which it would be advisable to effect a reduction. I believe the withdrawal of circulation from existing banks is not favored by Mr. Clarke in any shape. In his absence I do not propose to express any opinion as to the main question, but merely to offer a suggestion as to the manner of effecting the object proposed by your bill.

I have the honor to be, very respectfully, yours
H. R. HULBURD,
Deputy Comptroller

Hon. JOHN SHERMAN, *United States Senate.*

List of banks showing reduction of circulation under amendment proposed by Senate bill No. 254.

MAINE.—First National Bank of Portland $65,000.

VERMONT.—First National Bank of North Bennington $50,000.

MASSACHUSETTS.—First National Bank of Boston $100,000, National Bank of the Republic, Boston, $100,000, Boston North Bank $75,000, Hide and Leather Bank, Boston $100,0000, Merchants' Bank, Boston $750,000, Market Bank, Boston $80,000, Blackstone Bank, Boston $100,000, Redemption Bank, Boston $100,000, Continental Bank, Boston $50,000 North Bank, Boston $100,000, Exchange Bank, Boston $100,000, Eliot Bank, Boston $100,000, Boylston Bank, Boston $50,000, Commerce Bank, Boston $300,000, Howard National Bank of Boston $50,000, Shawmut Bank, Boston $75,000, Washington Bank, Boston $75,000, Hamilton Bank, Boston $50,000, Globe Bank, Boston $100,000, New England Bank, Boston $100,000, City Bank, Boston $100,000, Tremont Bank, Boston $300,000, Suffolk Bank, Boston $225,000, Atlantic Bank, Boston $50,000, Shoe and Leather Bank, Boston $100,000, Atlas Bank, Boston $100,000, Freeman's Bank, Boston $40,000, North America Bank, Boston $75,000, Maverick Bank, Boston $40,000, Massachusetts Bank, Boston $80,000, Union Bank, Boston $100,000, Eagle Bank, Boston $100,000, Old Bank, Boston $90,000, Montgomery National Bank of Norristown $40,000, State National Bank of Boston $300,000, Columbian Bank of Boston $100,000, First National Bank of Fall River $40,000, Third National Bank of Springfield $50,000, Second National Bank of Boston $100,000, First National Bank of Northampton $40,000, Worcester National Bank $50,000, City National Bank, Worcester $40,000, Fall River National Bank $40,000, Ware National Bank $35,000, Asiatic National Bank, Salem $31,500, Bunker National Bank, Charlestown $50,000, Naumkeag National Bank, Salem $50,000, Bristol County National Bank, Taunton $50,000, Bay State National Bank, Lawrence $37,500, Northampton National Bank $40,000, Adams National Bank, North Adams $35,000, Pittsfield National Bank $50,000, Mechanics' National Bank, Worcester $35,000. Total, $5,169,000.

RHODE ISLAND.—Second National Bank of Providence $50,000, Third National Bank of Providence $40,000, Fourth National Bank of Providence $35,000, Phœnix National Bank, Providence $45,000, Mechanics' National Bank, Providence $50,000, Eagle National Bank Providence $50,000, North American National Bank Providence $87,300, Merchants' National Bank Providence $93,950, Old National Bank, Providence $50,000, Weybosset National Bank, Providence $50,000, Manufacturers' National Bank Providence $50,000, City National Bank Providence $45,000 Total $646,250.

CONNECTICUT.—First National Bank of New Haven $50,000, First National Bank of Hartford $50,000, Second National Bank of New Haven $100,000, Exchange National Bank Hartford $50,000, First National Bank of Norwich $50,000, Charter Oak National Bank, Hartford $50,000, Thames National Bank, Norwich $100,000, Phœnix National Bank Hartford $152,610, Waterbury National Bank $50,000, Yale National Bank New Haven $50,000, Middlesex County National Bank Middletown $35,000, Commercial National Bank Bridgeport $33,210, Danbury National Bank $32,700, Merchants' National Bank New Haven $50,000, Middletown National Bank $36,930, National New Haven Bank $46,480, New Haven Co. Nat. Bank $35,000.—Total $971,930.

NEW YORK.—First National Bank of City of New York $50,000, Third $100,000, Fourth $1,000,000, Mercantile National $100,000, Tenth $100,000, Central $750,000, Ninth $100,000, Broadway $100,000, Commerce $2,000,000, American $50,000, Park $300,000, Tradesmen's $100,000, Shoe and Leather $225,000, Market $100,000, St. Nicholas $100,000, Seventh Ward $50,000, Republic $300,000, Mechanics' $50,000, Merchants' Exchange $185,250, Metropolitan $80,000, Marine $40,000, Ocean $100,000, National Bank of Newburgh $80,000, Troy City $50,000, Fallkill National Bank $40,000. First National Bank of Poughkeepsie $40,000, First Brooklyn $50,000, Highland, of Newburgh $45,000, Union, of Albany $50,000, New York State, of Albany $35,000, Union, of Rochester $40,000, Albany City $50,000, Commercial, of Albany $50,000, Mechanics and Farmers' of Albany $35,000, Farmers' and Manufacturers', of Poughkeepsie $40,000, Lake Ontario, of Oswego, $32,500, Oneida, of Utica $40,000.—Total $7,373,750.

PENNSYLVANIA.—First National of Philadelphia $100,000, Farmers's and Mechnaics' $300,000, Philadelphia National Bank $225,000, Pennsylvania $35,000, Northern Liberties $50,000, Corn Exchange $50,000, City $40,000, Commercial $81,000, Girard $100,000, North American $100,000, Mechanics' $80,000, Merchants and Manufacturers' $80,000, Columbian, $50,000, Western $40,000, Central $75,000, Miners', of Pottsville, $59,000, Pittsburgh National Bank of Commerce $50,000, Iron City, of Pittsburgh, $40,000, Tradesmen's $40,000, Farmers' of Reading $40,000, Mechanics' of Pittsburgh $50,000, Allegheny, of do. $50,000, People's, of Pittsburgh $100,000, Exchange of Pittsburgh $100,000, York National Bank $50,000, First National of Pittsburgh $50,000, Citizens of Pittsburgh $50,000, Farmers' of Lancaster $45,000, First National of Easton $40,000. Easton $40,000, First Mauch Chunck $40,000, First National of Pittsburgh $50,000, Second Wilkesbarre $40,000, First Allegheny $35,000, Third of Pittsburgh, $40,000.—Total $2,406,000.

OHIO.—Third National Bank Cincinnati, $50,000, First National Bank Cincinnati $100,000, Commercial National Bank Cincinnati $50,000, Central National Bank Cincinnati $50,000, Ohio National Bank Cincinnati $50,000, Merchants' National Bank of Cleveland $50,000, Merchants' National Bank of Cincinnati $50,000. Total $400,000.

INDIANA.—Indiana National Bank of Indianapolis $40,000, Merchants' National Bank of Evansville $35,000, First National Bank of Evansville $50,000. First National Bank of Indianapolis $50,000, Indianapolis National Bank $50,000. Total $225,000.

ILLINOIS.—Union National Bank of Chicago $50,000, Fifth National Bank of Chicago $50,000, Western National Bank of Chicago $50,000, First National Bank of Chicago $100,000. Third National Bank of Chicago $75,000, Merchants National Bank of Chicago $45,000. Total $370,000.

MARYLAND.—First National Bank of Baltimore $166,500, Second National Bank of Baltimore $35,000, Citizens' National Bank of Baltimore $50,000, National Bank of Baltimore $181,605, Union Bank of Maryland Baltimore $188,810, Farmers and Planters' Bank Baltimore $80,000, Western Bank Baltimore $50,000, Merchants' Bank of Baltimore $225,000, Farmers and Merchants' Bank of Baltimore $65.000. Total $1,041,915.

NEW JERSEY.—Newark City National Bank $35,000, Mechanics' Bank of Newark $50,000, Newark Banking Company $50,000, Mechanics' Bank of Trenton $35,000, National State Bank of Elizabeth $40,000, First National Bank of Jersey City $40,000, First National Bank of Trenton $50,000. Total $310,000.

KENTUCKY.—First National Bank of Covington $50,000.

DISTRICT OF COLUMBIA.—First National Bank of Washington $50,000, Metropolitan Bank of Washington $35,000. Total $85,000

MISSOURI.—Union Bank of St. Louis $50,000, Merchants' Bank of St. Louis $70,000, Third National Bank of St. Louis $157,350. Total $277,350.

LOUISIANA.—First National Bank of New Orleans $50,000, National Bank of New Orleans $100,000. Total $150,000.

DELAWARE.—First National Bank of Wilmington $40,000.

WEST VIRGINIA.—Merchants' Bank of West Virginia Wheeling $50,000.

GEORGIA.—National Bank of Augusta 50,000.

MICHIGAN.—First National Bank of Detroit $100,000.

Aggregate reduction of circulation under amendment proposed by Senate Bill No. 254 $19,795,195.

In addition to the foregoing, banks received circulation equal in amount to their capital before the amendment of March 3, 1865, took effect, which would be withdrawn under the proposed reduction, as follows, viz:

New Hampshire	$16,000	Ohio	$143,220
Vermont	56,300	Indiana	39,200
Massachusetts	119,675	Iowa	14,500
Rhode Island	28,000	Illinois	37,900
Connecticut	119,500	Michigan	4,500
New York	426,880	Wisconsin	12,500
New Jersey	49,920	Minnesota	52,000
Pennsylvania	174,000		
Maryland	35,000		1,334,095
Virginia	5,000		

The total amount to be withdrawn from each State would be as follows:

Maine	$65,000	West Virginia	$50,000
New Hampshire	16,000	Ohio	643,220
Vermont	160,300	Indiana	264,900
Massachusetts	5,288 675	Illinois	407,900
Rhode Island	674,250	Michigan	154,500
Connecticut	1,091,430	Wisconsin	12,500
New York	7,914,630	Iowa	14,500
New Jersey	359,920	Minnesota	52,000
Pennsylvania	2 580,000	Missouri	427,950
Maryland	1,076,915	Kentucky	50,000
Delaware	40,000	Louisiana	150,000
Dist. of Columbia	85,000	Georgia	150,000
Virginia	5,000		
Total			$21,679,260

THE AUSTRO-PRUSSIAN WAR-CLOUD.

In every market of Europe the strained and ominous condition of political affairs in Germany is beginning to be very seriously felt. The outbreak of positive hostilities between the two great German powers, disastrous as its effects would be, could hardly produce a more wide-spread prostration, financial and commercial, than a protracted "devil's truce" like that which now actually exists, is sure to bring about. The exchequer of Prussia is certainly in a more favorable condition than that of her imperial rival, and the Prussian artillery is admitted to be superior to the Austrian, notwithstanding the severe lessons which the Court of Vienna received in regard to the increased importance of that arm of the military service, from the Napoleon guns of the French, during the late Italian war. But Austria has upon her side, not only the resources of a population more than double that of her ambitious and arrogant Northern rival, but the amazing good fortune also of the most obstinate, the most ill-advised, but the most successful ruling family of the world.

As in the Iliad, so in modern history, the favor of Venus seems to be more important even to warlike princes, than the friendship of Mars. The House of Hapsburg has won by the heart more than it has lost by the head for ages past; and it can hardly be called a vagary of superstition to suggest that if Austria goes into the impending European war, against every rule of reason and every counsel of prudence, she may very probably come out of it against every anticipation of sound judgment and common sense.

The Austrian finances can hardly be made worse by the most costly and exhausting war. Unless France and Russia should be dragged into the vortex of the strife, which, though it be possible, is no more likely, than it was in 1854 that Austria and Prussia should be drawn into the Crimean conflict, even an unsuccessful war with Prussia would hardly result in the loss of any of the German provinces, which are the true strength of the Austrian empire, while a successful war with Prussia would definitively give to the Court of Vienna a decisive and preponderating authority in the German confederation. Were Italy to become involved in the conflict, Austria might, indeed, suffer the loss of her trans-Alpine possessions; but that loss would be, in truth, a permanent gain to the empire; and there are statesmen in Vienna who are capable of regarding it as a special blessing that Austria should be enabled to surrender with honor a hold upon Venetia, which it wastes her best strength now to retain.

To be driven out of the Quadrilateral by the overwhelming force of a combined attack from two such powers as Italy and Prussia, one of them far more than a match for her by sea, and the other at least her equal by land, would inflict no serious damage upon the military prestige of Austria, while it would put her into a position to carry out that process of temperate centralization in which lies her hope for the future, and in which it is beginning to be clear that she may count upon the aid and co-operation of the most intelligent and influential classes, not in her German provinces only, but throughout Hungary, Croatia, Transylvania, and Gallicia also.

So long as Austria retains her Venetian dominions the reactionary military element must keep its place in her councils to the grave detriment of her best interests. Relieved from this incubus upon her progress there is no reason for her to despair of a rapid advance to a commercial and financial rank proportionate to her enormous natural wealth and to the importance of her geographical position, an importance of which the extraordinary recent growth of her Adriatic port of Trieste gives us not indeed an adequate measure but a most significant indication.

The rumors of a practical alliance between Prussia and France for the dismemberment and prostration of Austria are as improbable as are the stories of a similar alliance for a similar end between Russia and Prussia. France indeed may desire to see Prussia so far successful in an attack upon Austria as would justify Napoleon in declaring that the safety of France requires the "rectification" of the French frontier upon the Rhine, precisely as the consolidation of Italy required the "rectification" of the French frontier upon the Alps; but it is as absurd to suppose that a French sovereign will seriously contribute to the concentration of thirty millions of Germans under the Prussian crown, as it is to suppose that a Russian sovereign can desire to see Austria crowded out of Germany and forced into becoming an overwhelmingly Oriental Power.

The quarrel of the German Powers is indeed the opportunity of their formidable neighbors; but it is the opportunity not of one nor two but of all of those neighbors, and from this simple fact it results that however severely the storm may rage for a time, it is tolerably certain at the end to leave neither of the States engaged, seriously and permanently weakened to the permanent and serious advantage of the other. For while France necessarily wishes to see Austria maintain a position from which she can act as a permanent check upon the consolidation of Germany, it is important to Russia that Prussia should be always strong enough to thwart any possible Austrian attempt at territorial aggrandizement in the direction either of the Elba or the Danube. The conflicting ambitions of France, Italy and Russia, therefore, may be relied upon to neutralize each other so far as to make it the common interest of all these powers to prevent either Prussia or Austria from being absolutely victorious or absolutely crushed in their imminent collision.

There will be a terrible waste of money and of men on both sides. Italy, probably, and possibly France may gain positive accessions of territory in the final adjustment of the consequences of the war. Prussia will pretty certainly miss that prize of imperial aggrandizement which the reckless and unscrupulous Count Bismark seems to have set his heart upon winning for her; while Austria, if she is forced to surren-

der Venetia, may eventually learn to regard that loss alone as a handsome return for all the treasure and blood invested by her in a war the prospect of which amazes and disgusts all Europe, so scandalous were the circumstances which first made it possible, and so disgraceful have been the folly and perverseness which have developed that original possibility into the most alarming probability of the hour.

THE STATE TAX ON SALES.

The commercial public are taken by surprise with the discovery that, at the late session of the Legislature, a bill was passed imposing heavy taxes upon transactions of brokers and auctioneers. The measure was smuggled through with a secresy which indicates that its promoters were afraid to have it submitted to the test of public opinion, and with a suddenness which shows that it was deemed unsafe to admit the discussion of its merits. The main features of the bill consist in the imposition of the following rates of duty upon the sales of brokers and auctioneers:

First—All wines and ardent spirits, foreign or domestic, at the rate of $1 on every $100.

Second—All goods, wares, merchandise and effects imported from any place beyond the Cape of Good Hope, at the rate of fifty cents on every $100.

Third—All other goods, wares, merchandise or effects which are the production of any foreign country, at the rate of seventy-five cents on every $100.

Probably the sales and resales at New York of the classes of commodities here subjected to tax will not aggregate below $600,000,000 per annum. On a large proportion of the products the wholesale profits are very light; so that a tax of ½@1 per cent amounts to a serious drawback upon the gains of the merchant. The duty would, of course, have to be charged by the agent upon the buyer or seller. If upon the seller, he would find it unremunerative to continue his business, and would either remove to some place where he could supply his customers free from the tax, or employ his capital in some other manner. If upon the buyer, he would prefer making his purchases at Boston or Philadelphia, where commerce is free from such imposts. In either case, the trade of New York would inevitably be seriously damaged. A duty of ½@1 per cent upon wholesale transactions is quite sufficient to render an important proportion of the trade of this city unprofitable; and having that effect, its ultimate result would be to banish a large amount of our business to other cities. For years, Boston held a comparative monopoly of the trade in Eastern products; the municipal authorities imposed a tax of ¼ per cent upon sales of teas, and ever since, that important trade has been held by New York merchants. The policy of our own Legislature is to drive that branch of commerce, and other branches along with it, back again to Boston, by the imposition of a duty double that which banished it from thence. In the foreign wool trade there has always been a close competition between this city and Boston. The New England metropolis has an important advantage in being nearer to the manufacturers of that section than New York, and it has been only by dint of superior enterprise that the wool brokers of

this city have been able to secure the lion's share of this important branch of commerce. The Eastern manufacturers, aware that they must pay ¼@¾ per cent more here than at Boston, may, of course, be expected to give the preference to the Boston market. There are mills in New England which give their half million orders for wool; can those buyers be expected to come into this market when they are aware that, upon their purchase, they must pay to the State three or four thousand dollars? In this city there is sold, annually, not less than $25,000,000 of dry goods at public auction. By the removal of these goods to Philadelphia or Boston for sale, the importers could save about $200,000 of duty; is it to be supposed that such an important economy would not induce the selling of a large amount of dry goods at those cities? And would not the increase of auctions at those places, tend to divert thither much of the private trade in foreign dry goods of which we have now almost an exclusive advantage? The new duties may be shown to operate similarly in the case of all the leading branches of our foreign commerce. These allusions serve to show that the enforcement of this law must result in incalculable injury to the commerce of this port. Indeed, had the problem before the Legislature been, how to banish trade from New York to the competing cities of New England and Pennsylvania, no better solution could have been given than this very measure.

We are at a loss to conceive what motive can have led to the adoption of this suicidal act. If it be supposed that the aim was simply revenue, then it is difficult to conceive that a body of men, undertaking to legislate for the largest and wealthiest State on the Continent, could be so utterly ignorant as not to perceive that the measure is fraught with the most serious danger to our commerce. If we assume that the object sought was the multiplication of lucrative offices for politicians; then we are compelled to admit that legislative corruption has gained an ascendancy utterly incompatible with commercial prosperity. Some regard the measure as instigated by a few merchants, who desire to get rid of the mediation of brokers and auctioneers. This supposition would seem to be countenanced by the fact, that the duty is imposed upon the transactions of these parties only; and that a bond of $5,000, with two sureties, is required from themby the law. The middlemen are no doubt a thorn in the side of merchants who would prefer coming into direct contact with buyers. The auctions, too, are regarded as a nuisance by a class of importers who prefer doing their businessat private sale. The broker and the auctioneer, however, perform important services to both buyers and sellers, for a very moderate charge; and no stronger evidence of their value to the community could be given, than the fact they are so extensively employed. They supply the brain and energy of our exchanges; and we could no more dispense with their functions, than the jobber could conduct his business without buyers or salesmen.

Serious doubts are entertained of the constitutionality of the law; and the question will probably be tested at an early day before the courts. The bill has the serious defect in construction that it imposes a tax without specifying the object to which the proceeds shall be applied; while Art. VII, § 13 of the State constitution provides that—

"Every law which imposes, continues or revives a tax, *shall distinctly state the tax, and the object to which it shall be applied;* and it shall not be sufficient to refer to any other law to fix such tax or object."

It would seem probable that, upon this ground at least, the law may be pronounced unconstitutional.

We have rarely seen the mercantile community so exasperated under a sense of legislative outrage. All feel that their interests are gravely threatened, and that an immediate remedy must be found. We cannot but hope that the authorities will hold the execution of the law in abeyance until either the courts have declared it unconstitutional, or the legislature has cancelled the wrong.

PORK PACKING IN CHICAGO.

HOW HOGS ARE BUTCHERED—KILLING PENS—CLEANING AND PREPARING—CUTTING UP AND SALTING—RESULT OF THE BUSINESS SEASON OF 1865-66—HISTORY OF BUSINESS—CHICAGO THE GREATEST PORK AND BEEF MARKET IN THE WORLD—RECEIPTS AND SHIPMENTS 1852-66—PACKING IN WESTERN STATES—DECREASE OF HOG CROP—SUBSIDIARY MANUFACTORIES—GENERAL REFLECTIONS, ETC.

THE process of butchering hogs, as practiced in our packing houses, is well worthy of examination and description. During the winter, when the packing houses are busiest, it is well worth the trouble of any one to visit them and learn. On this, and the general subject of the hog trade, we compile the following from the Chicago *Times* of March 19, 1866:

HOW HOGS ARE BUTCHERED.

The packing houses of Chicago are mostly situated at Bridgeport, that long suffering and much abused suburb, whose offence is so rank it smells to heaven—and to Chicago; Bridgeport, whose odoriferous winds are the the occasion of many invectives and much turning up of noses throughout the warm summer months, and which is generally famed in the city for its foul slough, its foul waters, its foul streets and its foul smells.

At this season Bridgeport is not odoriferously fragrant, unless a prevailing odor of fresh blood and hot lard may be deemed offensive. The Healy slough is frozen over and conceals its foul corruptions under its icy breasts. The snow and ice conceal the filthy streets. The water is mostly hidden by ice; but the little streams which run through ditches to the river, and in some places overflow the river, vary in hue from a delicate rose to a rich crimson, and a lively imagination might conceive them as rivulets of wine fresh from the press where the glancing feet of merry girls are trampling out the vintage, when, in fact, they are fresh from the gaping throats of butchered hogs and bullocks. During the summer Bridgeport is but a very sorry place. The packing houses are closed, and with them closes the life and activity of Bridgeport. Nothing is doing. The men are absent in the country, or in the city, at work. The bellowing of bullocks, and the bleating of sheep, and the grunting of swine has ceased. The very waters partake of the general stagnation, and the Healy slough is itself again, tweaking us all by our noses and defying the Common Council to meddle with it.

But we have come to Bridgeport to see the packing houses and learn how cattle and hogs are manufactured into the various products known as mess, prime mess, long and short middles, Cumberlands, Stretford, lard, tallow, white and yellow grease, etc.. We see numerous broad, flat-

roofed, low, solid-looking brick and stone buildings, usually adorned with a tall chimney and surrounded by an acre or two of barrels and boxes, and with a side track running from the railroad to their very doors. These are the packing houses. Let us enter one. Shades of the porcine race! here are the pallid corpses of 2,000 slaughtered porkers hanging before our eyes, each with his heels to the ceiling, his nose to the floor, and his tail, no longer curled according to the latest swinish style, but hanging down, limp and lifeless, behind his back.

We are in Reid & Sherwin's packing-house, one of the best managed, though not the largest in the city. The obliging clerk will volunteer his services as guide. We wend our way around the ghastly army of suspended swine to the end of the building, where a scene strikes the eye worthy of the artist, though it would be hard for either brush or pen to portray the rapidity of movement, the vigor of action, and determined, relentless expression which gives this group of laborers, slashing with knives and cleaving with axes, the appearance of soldiers in the thick of battle, while the cloud of vapor which envelopes the scene might well be fancied the smoke of villainous saltpetre. Our guide passes on; we close our lips resolutely and follow recklessly. People who wear good clothes will do well to change their dress before making such a venture; Bohemians need be at no such trouble. One step forward and you find yourself in the warm embrace of a monster pig, fresh from the scalding vat and scraping bench. You leap to one side to avoid this danger and thrust your elbow among the viscera of a freshly disembowled hog, before which a stalwart man is flourishing a keen and glittering knife. A step forward and you are ankle deep in warm blood, through which you wade several feet till you reace an elevated platform, on which stand the workmen at the scraping bench. You creep by these dragging your skirts over piles of wet and dirty bristles, reckless alike of brandished knives and swinish filth, and at last reach the killing pens and are ready to commence your investigations.

We are in the second story of the building. Down on the ground at a little distance are the pens where the stock is confined. From these an inclined plane, a veritable porcine bridge of sighs, leads up to the

KILLING PENS.

Of these there are two, so arranged that one may be filled with hogs from the inclined plane while the hogs are killed and dragged out from the other. Four or five little urchins urge the pigs up the inclined plane. The way is long and hard, and piggy grunts complainingly. He enters gladly into the killing pen, and welcomes it as a harbor of rest. Alas! though the way which he has trodden was straight and narrow, the end thereof is death. The pen is filled. The pigs are crowded thick together and lie contentedly dreaming, perhaps, of some piggish paradise, when lo! the executioner appears. It is the last of earth for piggy. This wingless angel of death, armed with a pointed hammer, stalks over their broad backs and taps each fated pig on his forehead, just between the organs of language and music, (speaking phrenologically,) and every touch is death. Without a groan or a grunt, without a struggle or a kick of agony, he sinks gently to the floor, never to rise again, bearing on his countenance the same look of placid contentment that it used to wear

when wallowing in his chosen mire. Piggy is a corpse. Let us follow his mortal remains.

Two cruel men enter the pen now full of swinish corpses. They insert a hook into one of his eyes and drag him out. Piggy does not complain of the hook. If he did they would tell him: "It is all in your eye." He now lies on a floor formed of plank about four inches wide and an inch apart. A new character appears upon the scene. He is a mild-eyed, meek-looking man in a laborer's dress. He carries a short, sharp knife in his hand, and a butcher's steel hangs at his side. Yet you do not suspect him. He wears the look of an honest man, and you would not feel afraid to trust your life or your fortune in his hands. Truly, appearances are often deceiving. That man is a professional cut-throat! Boldly and openly, in broad daylight, he carries on his bloody work. In a single day he has been known to plunge his glittering blade into more than a thousand bodies, and for a paltry salary he devotes himself to his chosen trade of bloodshed week after week and month after month. The bleeding bodies of his victims lie thick around him, the hot blood running in a crimson tide from their throats to the vat beneath, which at the close of the day's work contains hogsheads of blood.

CLEANING AND PREPARING.

The mortal remains of these slaughtered innocents are now to be prepared for the embalmer. Adjoining the floor on which they lie is a huge vat, about five feet wide and ten or twelve feet long, filled with water, which is kept constantly scalding hot. Beyond it is the long table which we passed on our way to the killing pens. This is the swinish tonsorial palace. Piggy first takes a hot bath. He is plunged into the vat, and kept beneath the surface of the scalding water by four men with sticks, who pass him along to the scraping block. By the time he has reached this he is thoroughly washed and ready to have his hair dressed. To accomplish this he is lifted by a sort of hinged cradle from the scalding vat to the scraping table, where he is immediately attacked by four scrapers, who soon deprive him of every hair and bristle, the latter being preserved in barrels for the brush manufacturer, the former being converted into curled hair, soon to appear in the cushioned seats of luxurious chairs and lounges in richly furnished parlors. As soon as he is out of the hands of the hair-dresser, our pig takes a shave. Four men, with long, sharp knives, do the job for him. They do it neatly, too. The swinish skin is as smooth and white as if it had been subjected to a first-class barber. The fashion among swine varies somewhat from that prevalent among humans, in that they have the whole body shaved, while the face is left untouched. The pig is now at the end of the platform, and ready for the honorable Japanese ceremony of *hari kari*. He is suspended by the heels on one of the arms of a revolving horizontal wheel. Before him stands the great disemboweler, a stalwart, muscular man, who holds in his right hand a keen knife, which he wields with marvelous power, accurucy and rapidity. None but the most skillful can do this work. He raises his knife strikes a blow, cleaves the belly of the hog in a trice from tail to throat, thrusts his arms into the loosened viscera, separates in the twinkling of an eye the lungs, heart, and liver from the stomach and intestines, throws the latter upon a table where men and boys stand ready to remove the

lard, tosses the bladder into a barrel, where it is preserved to be filled with lard, and drops the other visera on the floor, where they are seized by boys whose duty it is to dispose of them. The wheel is then turned and another hog presented to the attention of our friend with the knife. The rapidity with which this man works is perfectly astounding. We watch him three minutes, and in that time he has dissected nine hogs. He has been known to conduct 1,200 *post mortem* examinations in ten working hours, and then be ready to do as much the next day.

CUTTING UP AND SALTING.

The hog is now passed, still hanging on the wheel, to a man who deluges it thoroughly with cold water, till it is washed clean inside and out. By an ingenious contrivance it is lifted from the wheel, still hanging by his heels, and transferred to a railroad, along which he is shoved until opposite the hanging floor, where another workman separates the shoulders with a cleaver, and still another loosens the leaf lard from the sides and spreads the sides by inserting a short stick, an operation technically called "raising," and designed to expose the flesh of the animal to the air as completely as possible, that it may cool rapidly. The hog is then transferred to the room in the hanging floor, where he is to remain suspended until he is ready for the hands of the cutter and the packer, who are to embalm the swinish corpse.

The packing-houses of Chicago exemplify in a most remarkable manner the advantages of a proper division of labor, and simple labor-saving machinery. The amount of work done by 20 men in one of these establishments would require at least 300 workmen, as butchering is usually conducted on a well-regulated farm, even with furnaces and vats for heating water, and other conveniences seen only on the best managed farms. For this reason slaughtering and packing can be much more cheaply done in a large establishment than on any farm, even if labor there is comparatively cheap.

THE RESULT OF THE BUSINESS SEASON OF 1865–66.

There has been an excellent demand for all provisions this season, and packers have been unwilling to take risks by holding products, but have sold almost as fast as they have manufactured. Consequently the stock on hand is unusually light, lighter indeed than it has been at this season for several years before. A large and increasing southern demand has sprung up since the close of the war, which has supplied to a great extent the place of the enormous demand for army consumption, which for several years has required a large portion of our products.

The following table shows the number and the average net weight of hogs, and the quantity of the different kinds of pork packed by the different establishments in the city during the season of 1865–6:

	Number			Avg net	Barrels packed			
Packers.	Live.	Dres'd.	Total.	w'ght.	Mess.	Pr. mess.	Ex clo.	Rmp
Cragin & Co	43,144	11,036	54,200	231	12,170	1,659	705	774
Culbertson, Blair & Co	28,177	23,967	52,144	232½	13,105	1,660	1,507	814
A. E. Kent & Co	8,000	30,000	38,000	229	11,500	....	....	....
Reed & Sherwin	32,016	.....	32,016	211	6,389	747	....	80
J. M. Spafford & Co	9,692	20,770	30,462	220	4,541	210	....	....
Geo. W. Higgins & Co	.....	21,162	21,162	226½	5,000	....	100	....
Boyd & Small	19,485	846	20,334	218	1,547	807	....	134
Brainard, Burt & Co	2,538	14,349	16,887	233	5,803	....	168	78
G. S. Hubbard & Co	11,870	4,548	16,418	234	5,335	193	....	227

Freeman, Ruggles & Crosby	.....	15,738	15,738	225	5,943	....	....	100
Worster, Hough & Co..	14,478	120	14,598	233	3,116	....	857	217
Millward, Barron & Co	13,486	963	14,449	200	420	....	421	...
D. Kreigh & Co	14,241	.....	14,241	229½	2,876	475	....	136
Pulsifer	3,066	10,428	13,494	232	2,395	148	....	...
S. McKichan & Co	291	12,987	13,278	232½	2,943	8	630	...
Bowers & Co	12,730	.....	12,730	223	1,496	....	....	...
Jones & Gifford	12,016	.....	12,016	222	1,778	240	....	...
Dow, Quirk & Co	4,598	6,873	11,471	255	4,009	....	....	...
Rhodes & Whyte	3,369	6,801	10,170	251½	1,854	181	....	150
Tobey & Booth	9,061	376	9,437	221	2,129	....	....	...
C. L. Palmer & Co.	7,007	1,206	8,213	218	1,491	120	....	80
Griffin Brothers	5,729	2,470	8,199	230	2,043	....	723	127
Leland & Mixer	1,671	5,376	7,047	215	1,302	36	540	...
Turpin & Co	6,625	....	6,625	244	820	....	....	134
Shaw & Co	5,891	.....	5,891	219	1,280	....	....	26
Thorne & Co	5,199	.....	5,199	217	1,520	....	....	35
Nash, Thos. & Co	5,028	.....	5,028	210	.....	....	50	...
John Hayward	4,540	222	4,762	253	2,115	....	.. .	...
John Nash	2,677	139	2,816	209	85	....	....	...
H. Brinkworlh	.....	2,434	2,434	245½	....	....	....	...
Sunderland & Co	3,617	99	3,716	230	986	...	....	...
Joseph Nash	1,415	215	1,630	200	50	....	....	...
Hurlburt & Co	1,880	.....	1,880	246	794	....	....	...
R. & W. H. Smith	.....	1,410	1,410	261	490	....	....	...
Gardner & Co	967	.....	967	230	490	60	....	...
W. C. Reed & Co	....	1,160	1,160	280	376	40	....	18
Stewart, Sanger & Hollihan	6,520	.....	6,520	197	530	....	....	...
Turner & Nicoles	.....	....	.....	...	....	....	....	...
Six houses, estimated	.....	4,773	4,773	...	....	....	.. .	...
Total years	300,974	200,488	501,462	226.73	107,361	5,933	5,698	3,180
Year 1864-5	598,204	151,943	750,147	178	101,717	166,894	.....	.....

The decrease since last year in the number of hogs packed amounts to 248,685 head, but the average weight shows an increase of 27 per cent. The decrease in the amount of cured product is probably equal to 15,000,000 pounds.

A statement of the current prices for each week from Nov. 4, 1865, to March 17, 1866, compiled from actual transactions, is given below:

Date.	Live hogs, gross.	Dressed hogs, net.	Mess pork.	Prime mess pork.	Ex. prime pork.
Nov. 4, 1865..	10 00@11 25	.... @.....	25 00@	26 00@27 50	.....@.....
Nov. 11, 1865..	11 00@11 50	.....@.....	34 00@.....	26 00@27 00	.....@.....
Nov. 18, 1865..	10 50@12 50	.....@.....	33 00@33 50	.....@.....	.....@.....
Nov. 25, 1865..	9 50@10 75	.... @.....	32 00@33 00	25 00@25 50	.....@.....
Dec. 2, 1865..	8 50@ 9 50	.....@.....	27 50@28 00	.....@	20 00@.....
Dec. 9, 1865..	9 25@10 00	11 00@11 50	26 50@27 00	.....@.....	.....@.....
Dec. 16, 1865..	8 25@ 9 25	11 00@11 25	27 00@.....	.....@.....	.....@.....
Dec. 23. 1865..	8 50@ 9 10	10 25@10 75	27 00@27 50	.....@.....	20 00@.....
Dec. 30, 1865..	9 25@10 00	11 00@11 50	27 50@28 00	25 00@.....	22 00@.....
Jan. 6, 1866..	8 50@ 9 00	9 75@10 00	24 50@25 00	23 00@.....	20 00@.....
Jan. 13, 1866..	9 25@10 00	10 00@10 75	28 00@.....	24 50@25 00	21 00@.....
Jan. 20, 1866..	9 00@ 9 90	10 75@.....	26 00@26 50	24 00@.....	22 00@.....
Jan. 27, 1866..	9 00@ 9 60	10 50@10 75	25 75@26 00	22 50@23 00	19 00@20 00
Feb. 3, 1866..	8 75@ 9 75	10 75@.....	26 25@26 50	23 00@23 50	18 50@19 00
Feb. 10, 1866..	9 00@10 00	11 00@11 15	26 50@27 00	23 50@24 00	20 00@.....
Feb. 17, 1866..	8 75@10 00	10 75@11 00	26 00@26 25	23 50@24 00	19 00@.....
Feb. 24, 1866..	9 25@10 00	11 00@11 25	26 00@26 50	24 00@25 00	19 00@20 00
Mch. 3, 18 6..	9 30@ 9 90	11 00@11 25	26 25@.....	25 00@.....	19 00@20 00
Mch. 10, 1866..	9 00@ 9 50	10 75@11 00	25 75@26 00	24 50@25 00	19 00@20 00
Mch. 17, 1866..	9 00@ 9 75	10 25@10 50	25 75@26 00	24 00@24 50	19 00@20 00

1865.	Lard—Prime.	Lard—No. 1.	Grease—White.	Grease—Yellow.	Sugar pkld hams.	Bulk Meats—Sides.	Bulk Meats—Shoulders.
Nov. 4...	28 @28¼	27 @27½	17 @....	14 @....	19 @....	16¼@....	14¾@....
" 11...	27 @27½	26 @....	17 @17½	15 @16	19¼@20	17¾@17½	15½@ ...
" 18...	26 @26½	25 @25½	17 @....	14 @....	19 @19½	17¾@....	15½@....
" 25...	23 @24	21½@22	16 @....	14 @....	16¾@. ..	15¾@16	13¾@14
Dec. 2...	24 @21	....@....	16 @....	14½@ ...	14 @15	....@....	....@....
" 9...	19 @18½	18 @18½	15 @16	13 @14	....@....	....@....	9¾@10
" 16...	17½@18	16 @17	15½@....	14 @....	....@....	....@....	11 @11¼
" 23...	17 @18	16¼@16¾	14 @....	13 @13¾	....@....	....@....	11 @
" 30...	17¾@18¼	17 @17¼	14 @15	14 @14	16 @16½	14 @....	11¼@11½

1866.							
Jan. 6...	16¼@16¾	15¼@15¾	14 @....	12½@13	17 @....	12½@14	10½@....
" 13...	17 @17¼	16 @16¾	14 @....	13 @....	16 @17	13¼@....	11 @....
" 20...	17 @17¾	16 @16¾	14 @15	13 @....	16½@17¾	13¾@14	11 @11¾
" 27...	17 @....	16 @16¾	14 @15	12¾@13	16 @17	13¾@....	11 @....
Feb. 3...	16¾@17¾	.... @....	14 @15	12¾@13	16 @17	13¾@13¾	10¾@11
" 10...	16¾@17	16 @16¾	14 @15	12¾@13	16 @17¾	13¾@....	10¾@11
" 17...	16¾ 17	16 @16¾	14 @15	12¾@13	15½@17	13¾@13¾	10¾@11
" 24...	17¾ 18¼	17 @17¾	15 @..	13 @....	15½@17	13¾@14	10¾@11
March 3...	18 @18¼	17 @17¾	15 @....	13 @13¾	16 @17	13¾@14	10¾@10¾
" 10...	17¾@18	17 @17¾	15 @15¾	13 @13¾	16 @17	13¾@14	10 @10¾
" 17...	18 @....	17 @17¾	15¾@....	12½@13	16 @17	13 @13¾	10¾@10¾

	Green meats.			English meats.				
	Hams.	Sides.	Sho'lders.	Short boneless.	Short middles.	Long boneless.	Long boneless.	Cumberlands.
Nov. 4, 1865	18 @..	.. @..	.. @..	.. @..	.. @..	.. @..	.. @..	.. @..
" 11, "	18 @..	16 @..	12½@13	19 @..	18 @ .	19 @..	17 @17½	16½@17
" 18, "	18 @..	.. @..	.. @.	@..	17 @18	.. @..	@..	16 @16½
" 25, "	15 @15½	14 @..	11 @..	.. @..	15 @..	.. @..	.. @..	14 @..
Dec. 2, "	12½@13½	.. @..	8½@ 9	.. @..	.. @..	.. @..	.. @..	12½@14
" 9, "	13½@13¾	.. @..	9 @..	.. @..	14 @..	.. @	.. @..	13½@..
" 16, "	13½@14	.. @..	9 @..	15 @..	14 @14½	.. @..	13½@14	13 @..
" 23, "	14 @..	.. @..	9 @..	.. @..	.. @..	.. @..	.. @..	.. @..
" 30, "	15½@15¾	13 @..	9½@10	16 @..	15 @15½	.. @..	14 @14½	14 @14½
Jan. 6, 1866	15 @..	.. @..	8½@..	16 @..	14 @..	.. @..	13 @13½	13 @..
" 13, "	15 @15¾	11½@12	9 @ 9¾	16 @..	14½@15	.. @..	14 @..	13½@..
" 20, "	15½@16	12½@12¾	9 @ 9½	16 @..	15 @..	.. @..	.. @..	13½@13½
" 27, "	15 @16	12 @12·	9 @ 9½	16 @..	14½@..	14 @..	.. @..	13 @13½
Feb. 3, "	15 @16	12 @12½	9 @ 9½	16 @..	14½@14½	.. @..	.. @..	13½@13½
" 10, "	16 @..	12½@12½	9½@ 9.	16 @..	14½@..	14½@..	. @..	13½@..
" 17, "	16 @..	.. @..	.. @..	16 @.	14½@14¾	.. @..	.. @..	13 @13½
" 21, "	. . 16 @..	.. @..	.. @..	16 @..	14 @14¾	.. @..	.. @..	13½@13¾
Mar. 3, "	16 @..	.. @..	.. @ ..	16 @..	14½@14¾	.. @..	.. @..	13½@13¾
" 10, "	15½@..	.. @..	.. @ ..	16 @..	14 @15	.. @..	.. @..	13½@13¾
" 17, "	.. @..	.. @..	.. @ ..	16 @..	14½@15	.. @.	14 @..	13 @13¾

HISTORY OF BUSINESS.

The first packing-house in the city commenced operations in 1835, when 3,500 hogs were cut and packed by Gurdon S. Hubbard. Since that time the business has increased with the growth and prosperity of the West, until it has assumed its present proportions as one of the three or four leading branches of business in this great commercial city. Until 1861 it has not assumed such proportions as to make the place prominently known as an important packing point. During the season of 1861–62 one-fifth of the whole number of hogs packed for market in the Western States were put up in the Chicago packing-houses. They furnished nearly one-fourth of the total product of these States during the season of 1862-63, and more than one-fourth the succeeding season; while during the season of 1864–65 almost one-third of all the hogs packed in the Western States were packed in Chicago. The business of the past year, though much less than that of 1864–65, shows that Chicago still maintains its position at the head of the packing-business of the country.

The increase in the business will be clearly indicated by the following table, which shows the number packed since 1852, together with their average weight and the entire number packed in the Western States since 1857:

Season.	Packed in Chicago.	Average weight.	Packed in W'n States	Season.	Packed in Chicago.	Average weight.	Packed in W'n States
1852–53	48,156	211	.....	1859–60	151,359	225	2,350,882
1853–54	52,849	249	.....	1860–61	271,805	240	2,155,702
1854–55	73,694	246	.....	1861–62	514,118	240	2,893,733
1855–56	80,380	233	.....	1862–63	970,873	227	4,069,520
1856–57	74,000	230	.....	1863–64	904,659	188	3,271,105
1857–58	99,262	230	2,210,621	1864–65	760,514	180	2,261,205
1858–59	170,684	200	2,445,552				

CHICAGO THE GREATEST PORK AND BEEF MARKET IN THE WORLD.

These figures show Chicago to be the most prominent packing point in the world. It has secured that position by the advantages of its position and the perfection of its communications, both natural and artificial. To the east cheap transportation of provisions is afforded by lakes and canals; while from the west numerous lines of railroad furnish the only means of carriage which can profitably be used for the transportation of live stock. Living animals must be transported rapidly, for they rapidly become unfit for butchering. Canals and rivers never can compete with railroads for this class of freight. The country reached by railroads which lead into Chicago is especially productive of corn, and consequently well calculated for the production of hogs and cattle. These can be raised for this market at a profit even in the interior of Missouri, Iowa and Minnesota, although the freights on grain from points so distant make it a profitless crop unless fed to stock. Little of the grain received in this market is raised west of the Mississippi. The rates of freight will not permit it. The territory from which we receive live stock is four or five times as extensive as that from which we receive grain. Great as is this branch of business, it is yet in its infancy. Chicago must always be the great live stock emporium, and the great provision manufacturer for the Eastern and European markets. For a number of years Cincinnati was the greatest packing point in the country, and was known to every one as the great Porkopolis. Until 1861 she held the palm. Her business has not decreased, but ours has increased. The following table will illustrate the extent and the growth of this business in these two cities since 1854:

Season.	Chicago.	Cincin'l	Season.	Chicago.	Cincin'l
1854-55	73,694	355,786	1860-61	271,805	433,799
1855-56	80,380	405,396	1861-62	514,118	474,167
1856-57	74,000	344,512	1862-63	970,873	608,457
1857-58	99,262	446,677	1863-64	904,659	357,640
1858-59	170,684	382,896	1864-65	750,147	359,600
1859-60	151,359	434,499	1865-66	501,462	354,079

RECEIPTS AND SHIPMENTS.

The receipts and shipments of hogs at Chicago since 1852 are shown in the following table:

Season.	Received.	Shipped	Season.	Received.	Shipped
1852-53	65,158	10,000	1859-60	255,384	71,266
1853-54	73,950	10,628	1860-61	354,684	119,836
1854-55	178,565	52,881	1861-62	746,697	223,632
1855-56	308,538	188,75[illegible]	1862-63	1,286,545	316,881
1856-57	220,702	103,074	1863-64	1,377,652	471,000
1857-58	243,216	88,546	1864-65	1,095,008	316,578
1858-59	251,102	46,431	1865-66	803,405	246,786

PACKING IN THE WESTERN STATES.

The following table shows the number of hogs packed in the seven States—Ohio, Illinois, Indiana, Iowa, Missouri, Wisconsin and Kentucky—since 1860. It is, of course, incomplete, because many of the smaller towns make no returns, but includes the business of all the leading packing points:

Season.	No. packed.	Season.	No. packed.
1860-61	2,155,302	1863-64	3,271,105
1861-62	2,711,733	1864-65	2,261,905
1862-63	4,089,520		

THE DECREASE OF THE HOG CROP.

It will be remarked that the hog crop reached its maximum in the season of 1862–63, and that there has been since that time a considerable decrease in production. That this has not been occasioned by a decrease in the demand will be very plainly shown by a comparison of the prices paid for live and dressed hogs for a series of years. The table shows the highest and the lowest prices paid during the season:

Season.	Live hogs, per cwt.	Dressed hogs, per cwt.	Season.	Live hogs, per cwt.	Dress'd hogs per cwt.
1858–59.....	$3 50@ 5 75	$4 50@ 7 50	1862–63.....	$2 15@ 4 50	$3 50@ 4 45
1859–60.....	3 50@ 5 50	4 00@ 7 00	1863–64.....	3 00@ 7 50	4 00@ 8 50
1860–61.....	4 25@ 5 75	4 75@ 6 50	1864–65.....	6 25@13 00	11 00@15 12½
1861–62.....	3 15@ 3 00	2 50@ 3 75	1865–66.....	8 25@12 50	9 75@11 50

During the war the demand for pork was unusually and unnaturally great. To answer this demand farmers pushed forward all the animals which would answer for market, including many which, under ordinary circumstances, would have been preserved for stock and for breeding. The consequence was that the number of animals was sensibly diminished, and the crop of 1863–64 considerably less than that of the previous season. The next season shows a remarkable falling off in the crop from the action of similar causes, and, as a consequence, the demand continuing remarkably great, and the supply being remarkably small, prices rose enormously, and dressed hogs, which sold at $3 50 per cwt. in the first year of the war, brought $15 readily before it closed.

With the close of the war the army demand has ceased, but in its place we have an extensive Southern demand, and as the crop has not increased, but considerably decreased, prices have continued better than were ever known before last year, in spite of the cheapness of corn.

SUBSIDIARY MANUFACTURES.

In enumerating the manufactories of the city it is not usual to include the packing-houses; yet these are truly manufactories, where raw material, such as cattle and hogs, are transformed into pork, beef, hams, lard, tallow, etc., by the aid of machinery and labor. This business is one of the most important interests of the city, and occupies the capital and capacity of many of our most energetic and wealthiest citizens, gives employment to thousands of laborers, and produces a very large proportions of our exports. It is easy enough to count the packing establishments and to ascertain the number of laborers which they employ, but this will give us only a slight idea of the industrial importance of the business. Besides the men who are directly employed in the packing-houses, we must remember the hundreds who are engaged in moving the stock and the provisions manufactured from them to and from the various depots, and in connection with the carriage of such freight on the railroads which bring in stock and dressed hogs and take out provisions.

The manufacture of barrels and tierces and packing boxes, which is so extensive in the city, and gives employment to hundreds of mechanics at a season when work is usually scarce, is supported entirely by the packing interest. The consumption of salt in these establishments is enormous, and creates an immense trade in this material, giving employment to ships and sailors and dealers. The business of the packing-houses is

mostly confined to four months of the cold season, when laborers are unable to prosecute such occupations as are practiced in the open air, and when work is scarce. During the winter months, hundreds of carpenters, masons and bricklayers, and thousands of laborers who find employment in the summer in lumber yards, and in connection with building, are left without their accustomed occupation. These packing houses afford employment at this time, and many who exercise mechanical occupations during the summer find steady work and good pay in them throughout the winter. Some idea of the importance of this business may be gathered from the fact that more than $20,000,000 was expended by our packers last year for the cattle and hogs which they put up.

GENERAL REFLECTIONS, ETC.

The advantages of this business, however, are not limited to the citizens of Chicago. Our packing-houses are of immense importance to all the producers of stock. Everything which in any way facilitates the transportation of produce from the farm to the consumer is of great value to the producer. Hogs and cattle, when reduced into barrels of pork and beef, of lard and tallow, are not only materially reduced in weight, but put into a much more convenient and manageable form. A few days' confinement in cars tells wonderfully on these stock. The shipper must not only pay freight on good butchers' meat, but also on blood and bones, horns, hoofs and all manner of offal; he must hire men to care for them, and buy hay and grain to feed them. Barrels of provisions, on the contrary, submit to be rolled about from wagon to car and warehouse; they will rest contentedly and without injury on the longest journey, with no one to watch over and take care of them; they require no outlay for either food or drink, and are neither decreased in weight or injured in quality by hard travel or long keeping. There is every reason why the cattle and hogs of the west should be butchered and packed,—in other words, should be manufactured into provisions,—before they are exported, and it is not to be wandered at that Chicago and Cincinnati have become the greatest packing points in the world. The causes which are now operating will continue to operate, and we can hardly fix a limit to the increase which may be expected in packing operations. The great weight of grain compared with its value will always tend to discourage shipments of breadstuffs to distant markets, and we must expect to see trade in live stock and provisions increase more rapidly, and reach greater proportions, than the grain trade. There are many reasons why it is desirable that the farms of the west should be devoted to raising stock rather than grain for export. Besides the difference in the cost of transportation which has just been mentioned, a very important consideration is the difference in the effect upon farming lands. Repeated crops of wheat and corn will eventually exhaust even the rich soil of western prairies; flocks and herds enrich the field which feed them. Continued cropping of prairie farms will sooner or later leave the land, like that of the exhausted plantations of Virginia, barren and unproductive; while a system of culture which includes the raising of animals, and consequently the production and use of fertilizing agents, will preserve and increase the productive capacity of this magnificent agricultural country which is now deservedly known as the garden of the world.

THE UNITED STATES DEBT.

DEBT BEARING INTEREST IN COIN.

Denominations.	March 1.	April 1.	May 1.
6 per cent, due December 31, 1867	$9,415,250	$9,415,250	$9,415,250
6 do July 1, 1868	8,908,342	8,908,342	8,908,342
5 do January 1, 1874	20,000,000	20,000,000	20,000,000
5 do January 1, 1871	7,022,000	7,022,000	7,022,000
6 do December 31, 1880	18,415,000	18,415,000	18,415,000
6 do June 30, 1881	50,000,000	50,000,000	50,000,000
6 do June 30, 1861, exc'd for 7.30s	139,288,150	139,284,650	139,313,150
6 do May 1, 1867-82 (5.20 years)	514,780,500	514,780,500	514,780,500
6 do Nov. 1, 1870-85 (5.20 years)	100,000,000	100,000,000	100,000,000
6 do Nov. 1, 1870-84 (5.20 years)	61,263,000	65,175,500	71,(03 500
5 do March 1, 1874-1904 (10.40s)	172,769,100	171,219,100	171,219,100
6 do July 1, '81 (Oregon war)	1,016,000	1,016,000	1,016,000
6 do June 30, 1881	75,000,000	75,000,000	75,000,000
Aggregate of debt bearing coin interest	$1,177,867,292	$1,180,236,342	$1,186,092,842

DEBT BEARING INTEREST IN LAWFUL MONEY.

4 per cent Temporary Loan, 5 do do, 6 do do (10 days' notice)	$118,577,939	$121,751,970	131.497,854
6 do Certificates (one year)	62,264,000	62,258,000	62,620,000
5 do One and two-years' notes	8,536,900	8,536,900	6,036,900
6 do Three years' com. int. notes	174,012,141	172,012,141	167,012,141
6 do Thirty-year bonds, (Cent'l Pacific R.)	2,362,000	2,362,000	2,362,000
6 do do (Union Pacific R. E. Div.)	1,632,000	2,272,000	2,272,000
7.30 do Three years' treasury notes, 1st series	818,044,000	817,014,000	816,512,650
7.30 do do do 2d series			
7.30 do do do 3d series			
Aggregate of debt bearing lawful money interest	$1,179,475,236	$1,186,207 011	$1,188,313,545

DEBT ON WHICH INTEREST HAS CEASED.

7.30 per cent Three-years' Notes	$167,350		
do Texas Indemnity Bonds	618,000	$930,680	$877,730
Other bonds and notes	200,430		
Aggregate of debt on which interest has ceased	$985,780	$930,680	$877,730

DEBT BEARING NO INTEREST.

United States Notes	$423.435,373	$422,749,252	$415,164,318
Fractional currency	27,523,734	28 005,452	28,192.017
Currency	$450,959,107	$451,754.704	$443.356,335
Gold certificates of depos't	12,627,600	9,665,160	9,036,420
Aggregate of debt bearing no interest	$463,586,707	$461,419,864	$452,392,755
Amount in Treasury—			
Coin	$55,736,192	$62,069,701	$76,676.407
Currency	60,282,767	60.077,680	61,310,622
Total in Treasury	$116.018,959	$122,147,381	$137,987,029

RECAPITULATION.

Debt bearing interest in coin	$1,177,867,292	$1,180,236,342	$1,186,092,842
Debt bearing inter'st in lawful money	1,185,428,980	1,186,207.011	1,188,313,545
Debt on which interest has ceased	985,780	930,680	877.730
Debt bearing no interest	463,586,707	461,419,864	452,392,755
Aggregate debts of all kinds	$2,827,868,759	$2,827,793,896	$2,827,676,872
Cash in treasury	116,018,959	122,147,381	137,987,029

LEGAL TENDER NOTES IN CIRCULATION.

One and two years' 5 per cent notes	$8,536,900	$8,536,900	$6,036,900
United States notes (currency)	423,435,373	422,749,252	415,164,318
Three years' 6 per cent compound int. notes	174,012,141	172,012,141	167,012,141
Aggregate legal tender notes in circulation	$605,984,414	$603,298,293	$588,213,359

APPLICATION OF HYDRAULICS TO STEAMSHIPS.

The London *Daily News* says that on the 7th of April an unpretending looking little steamship of eighty seven tons, named the Nautilus, left London bridge with a company of practical engineers, naval architects, and other scientific men on her decks. She was innocent of paint, unencumbered with masts and rigging, and looked altogether rather rough and home-made as she started off on her trial trip. The novelty was that the vessel was propelled with neither paddle nor screw, and the river-faring people stared with no little incredulity on the strange innovation. The Nautilus is the property of private gentlemen who have sufficient faith in what is known as "Ruthven's hydraulic propeller," to fit her up with it, and challenge the attention of the scientific world to the invention. The principle is so simple, and its promised advantages are so enormous that, if the expectations of the promoters are realised, the revolution in merchant shipping will be almost as great as that caused by the substitution of iron armor for oaken planks in the navy. The importance of the results involved certainly deserve he close observation with which the scientific gentlemen on board watched the experiment; and the almost unanimous conclusions arrived at appeared to be highly favorable to the newly applied motive power.

The principle can be described in a single sentence. In the centre of the ship, and below the water line, there is fixed a kind of Turbine wheel, supplied with water through holes in the vessel's bottom, and which, being set in motion by an ordinary steam engine, revolves rapidly, and drives out a thick perpetual column of water through apertures, termed nozzles, on each side of the ship. This propelling power, unlike the paddle and screw, does not force the vessel ahead by pushing back the water, but acts directly on the vessel, (something like the recoil produced by firing a gun,) preventing, of course, that loss of power caused by every revolution of the paddle or screw. The all important agents, the nozzles, are the tubes through which the water is expelled from the wheel to the outlet apertures on the water line. When the steady stream is directed towards the stern the ship goes ahead; when to the stern, she backs; and when the streams flow one each way, the vessel, as if on a pivot, turns on her own length. These nozzles are so potent that they can be used to steer as well as to propel the ship; so that the smashing of a rudder would be a matter of perfect indifference. The advantage here is immense, when it is remembered how many disasters at sea have been traceable to the loss of a rudder, the breaking down of a paddle, or the fouling of a screw In the Nautilus no portion of the machinery is exposed. If she were a ship of war the invariable attempt of the enemy to shoot away paddles, screw, and rudder would be therefore useless; and if she were a merchantman she would not labor under the disadvantage of paddles to diminish her sailing powers, or of that inevitable weakness of stern which attends the use of the screw. Again, the leak, which in other ships too often means hopeless destruction, becomes here, if not a positive blessing, at least no source of danger or inconvenience, because the greedy wheel can be made to swallow up the dangerous water, use it to increase the speed of the vessel, and in doing so to send it out considerably faster than it came in. These are put forward as the main advantages, but it will at once be seen they would involve others, secondary perhaps to a certain extent, but still fraught with benefit. Thus, the uniform working of the machinery prevents vibration, and consequently wear and tear; the pitching and rolling of a heavy sea produces none of that vexatious reaction which strains every part of the ship; the steamer leaves no swell, and very little ferment behind; the peculiarity of

the machinery enables the hull to be built on the lines of the best clipper ship that sails; and then there comes in the additional claim of economy, both in construction and working.

The Nautilus on Saturday was tested with one of the ordinary iron paddle boats, and in the race down towards Gravesend she held her own, and once or twice got well ahead. The average speed was 11¼ miles an hour. The Admiralty are so convinced of the fitness of the principle that they are now building a gunboat (the Waterwitch) at Blackwall, to be worked by the hydraulic propeller. This gunboat will be launched probably in May, and as she is to be of 778 tons burden, and 167 horse power, her trial will in a measure decide a very important question as to the future of steamships.

The public will have no difficulty in seeing her, as her owners invite the fullest inspection. At present, as we intimated, the Nautilus is not an exhibition ship, but a mere shell, fitted with two engines of ten horse power each. She draws two feet of water, is 115 feet long, and being seven feet two inches deep, stands rather awkwardly high out of the water. The hull closely resembles the Citizen boats, but being somewhat broader, deeper, and fuller in the lines, seems heavier. Having nothing but a temporary mast, or rather flagstaff, before the funnel, she looks conspicously bare, but the main object, namely, the illustration of the principle, has been realized. Looked at from shore, the thick stream of water issuing from the nozzle may be seen shooting along close to the side like a white column of glass. It expends itself without causing much disturbance of the surrounding water.

COMMERCIAL CHRONICLE AND REVIEW.

The Panic in the European Market—The Money Market at New York—Discontinuance of Temporary Loans by Government—Prices of United States Bonds and Railroad Shares at Home and Abroad—Imports of Dry Goods at New York—Course of Gold for Month—Treasure Movement at New York—Course of Exchange, etc.

THE panic in Europe has been a subject of absorbing interest during the past month, although as far as United States securities are concerned, the decline at London has had no effect here. Cotton, however, has been depressed in sympathy with the Liverpool reports and middling Cotton was at one time quoted as low as 14d at Liverpool, and 30 cents in New York: The secret of this sudden fall in the market was the large receipts both from America and India. As an illustration we give the following statement showing the stocks of Cotton in Europe and the amount afloat about the 10th of April of the last two years:

STOCK OF COTTON IN EUROPE AND AFLOAT FOR EUROPE.

	1865.	1866.
Stock in Liverpool.....bales.	606,920	663,840
" London.....	127,545	58,584
" Havre.....	57,000	60,000
" Rest of Continent.....	40,000	20,000
Total.....	830,465	802,424
Indian Cotton afloat.....	341,500	689,000
United States afloat.....	25,000	125,000
Grand total.....	1,098,960	1,543,930

With such figures as these, (a consumption and export supply of 60,000 bales for 25 weeks), and the increased receipts and shipments since, from this side, the

result was not doubtful. Later advices show a recovery from the panic prices and a firmer market. It was argued by some during the panic and believed by very many that Cotton would soon settle down to a very low figure at Liverpool, and we would quickly return to very near the old order of things Such remarks are, however, without reason; for such a price would not furnish a sufficient inducement to the Southern planters to raise cotton, and would largely reduce the production in India and elsewhere. So far as the United States is concerned, with a five per cent tax; with existing difficulties of transportation at the South; with the necessity for the reorganizing of labor, and the high rate paid for labor and all the necessaries of life, cotton at the present time cannot be profitably laid down at Liverpool at even 12d.

The money market during the month has exhibited great ease. This is due to a multitude of influences, prominent among which, is the accumulation of currency here, and its flow to this and the other great financial centres. The notes of the small, country National Banks are concentrating themselves in our great cities, and especially in New York; and the plethora hence resulting has caused the agitation once more of the plan for securing the redemption of bank notes in this city. We have often expressed our approval of this scheme, which we regard as necessary to secure the stability, permanence and satisfactory working of our national banking system. It is reported that Congress will soon adopt some measures for enforcing redemption. Another cause of the ease in money is connected with the approach of summer, the dread of cholera, and the amount of unemployed capital which is lying here and seeking temporary investment. The most important cause of all, however, is the revival of public confidence since the passage of the loan bill, and the practical declaration of Mr. McCulloch's financial policy. The general belief seems to be that for several months to come he neither will nor can do anything which shall paralyze business, or produce any severe monetary spasm, but that, on the contrary, as far as the Treasury movements can conduce to that end, he will keep the money market easy, and allow the financial machinery of the country to run as equally and uninterruptedly as possible. The depressing, weary, wearing incertitude on these points which, for some time past, have prejudiced business and impeded commerce is now, therefore, succeeded by confidence, and a marked activity of general business has been the natural result.

The rate of interest during the month has been as follows:

RATES OF LOANS AND DISCOUNTS.

	April 6.	April 13.	April 20.	April 27.
Call loans	5 @ 6	5 @ 6	5 @ 6	5 @ 6
Loans on Bonds and Mortgage	6 @ 7	6 @ 7	6 @ 7	6 @ 7
A 1, endorsed bills, 2 mos	6 @ 7	6 @ 6½	7 @ 7½	7 @ 7½
Good endorsed bills, 3 & 4 mos	7 @ 8	7 @ 8	7½@ 8	7½@ 8
" " single names	9 @10	9 @10	9 @10	9 @10
Lower grades	10@15	10@18	10@18	10@15

The following notice has just been issued by the Secretary discontinuing the receipts of temporary deposits, and consequently there is an increasing volume of idle capital offering for investment:

TREASURY DEPARTMENT, April 28, 1866.

Notice is hereby given that the Treasurer of the United States, the Assistant Treas-

urers of New York, Philadelphia and Boston, and the United States Depositaries of Baltimore and Cincinnati have been directed to *discontinue from this date the receipts of deposits on account of temporary loan, except those intended for Clearing House purposes.*

H. McCulloch, Secretary of the Treasury.

These temporary deposits amounted altogether, on the 1st of April, to the very large sum of $121,751,970; of which about forty millions are on Clearing House certificates, payable on call, in legal tender notes. It will be seen that the foregoing notice excepts Clearing House certificates; but about ten days since notice was given that the interest on these certificates would be reduced to 4 per cent on the 1st of May. Twenty-five millions of certificates, or thereabouts, are held by the banks of this city. These temporary loans were first authorized by the act of the 25th February, 1862, the amount being limited to 25 millions of dollars, on which no higher rate of interest was to be paid than 5 per cent. On the 18th March, 1862, 25 millions more were authorized by Congress, the rate being still 5 per cent. By the act of the 11th July following, 100 millions was fixed as the aggregate, and the authority was enlarged on the 30th June, 1864, to 150 millions, the maximum rate of interest being raised to 6 per cent. These four acts of Congress, we believe, are all that pertain to the temporary deposits, and it will be observed that all were passed under the pressure of financial embarrassment, at a time when it was of the highest possible moment that the National Treasury should be replenished by every effective and judicious expedient which could be devised for the purpose. By means of this demand loan arrangement the use of a large sum has been secured to the Treasury for the past four years, and the amount could not perhaps have been so easily obtained in any other way. Another advantage of this system was, that whenever any of those sudden spasms occur, which, in an over-stimulated and excitably feverish money market, under a redundant and depreciated currency, are but too common, a safety valve was found for the relief of our overstrained financial machinery. For experience shows that immediately on the occurrence of stringency the depositors begin at once to draw out their money from the Treasury, and when the deposits run down to the requisite extent, the stringency usually passes speedily away.

It is easy to see, however, that the demand loans, for the very reasons we have detailed, are capable of producing great occasional embarrassment to the Treasury. For in any emergency the $120,000,000 now on deposit might suddenly run down to $80,000,000, or less. Consequently, there is a constant indispensable necessity for the keeping of an adequate balance always on hand. This is attended with great expense, as we have to pay interest for a large sum of idle money which we need for no other purpose than to meet any possible demand from the depositors. And what advantage is it to us to pay interest for deposits while we are obliged to keep the money on hand as an inert, burdensome, unemployed reserve? Moreover, these temporary loans are more conducive to inflation and more preventive of contraction than any other part of the interest-bearing public debt; for the least perturbation in the money market causes the dormant currency which has been locked up in the Treasury to flow out and to become active in the channels of business, inflating prices, and neutralizing any

previous efforts at contraction. For these and many other reasons it has been long regarded by some of our wisest financial authorities as a mischievous and unsound policy for the Treasury to carry on the banking business to the extent of paying interest on demand loans, and therefore the course now taken by the Secretary is universally approved.

Government Bonds have exhibited great strength here through the month while in London prices have been depressed in common with all other securities during the panic. Below we give the prices of Five-twenties each day to April 14. The quotation for April 13 and 14 is without coupon:

PRICES OF AMERICAN BONDS AND RAILROAD SHARES AT LONDON.

	Week ending March 24.						Week ending March 31.					
	Mon	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5'20's, '62.	71¼	71¼	71⅞	71⅝	71⅛	71⅛	71⅛	71⅞	71⅛	71¼	71	70
	Week ending April 7						Week ending April 14					
	Mon.	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5-20's, '62..	..	71¼	72⅛	72	73⅛	74	72	72⅛	71¼	71⅛	68¼	68¼

Notwithstanding this decline in London and the fall of gold the past two months, prices of Government Bonds in New York have risen and Five-twenties close at 108. We give our usual table below:

The following shows the price of the several leading Government securities represented by the closing sale of each day in April, 1866:

PRICES OF GOVERNMENT SECURITIES, APRIL, 1866.

Day of month.	6's, 1881. Coup.	6's, 1881. Reg.	6's, 5-20 yrs. Coup.	6's, 5-20 yrs. Reg.	5's, 10-40 yrs. Coup.	5's, 10-40 yrs. Reg.	7-30's, 1867.	1 y'r certif.
Sunday. ... 1	.....	.....	.....	.....	.....	.....	.....	....
Monday.... 2	105⅛	.....	104¼	.....	92	92⅛	100⅛	....
Tuesday ... 3	105⅛	.....	104⅛	.....	92	....	100¼	....
Wednesday 4	105	.....	104	.....	91¼	....	100⅛	99¼
Thursday .. 5	104⅞	105	104	.....	....	91¼	100¼	....
Friday..... 6	104¾	.....	104⅛	.....	91¼	....	100⅛	....
Saturday... 7	104⅞	.....	104⅛	.....	91⅛	....	100⅛	....
Sunday 8	.....	.....	.....	.....	.....	....	.....	....
Monday.... 9	105	.....	104¼	.....	92	....	.....	....
Tuesday ...10	104¼	104¼	103⅛	.....	91⅛	....	.....	99¼
Wednesday11	104¾	104⅞	103⅛	100⅛	91⅛	....	100⅛	....
Thursday ..12	104⅝	104⅛	103⅛	100⅛	91⅛	....	100⅛	....
Friday.....13	104¾	.....	103⅛	100⅛	92	....	100⅛	....
Saturday...14	.....	.....	104	.....	94¼	....	100¼	....
Sunday.....15	.....	.....	.....	.....	....	....	.....	....
Monday....16	105⅛	.....	104¼	100⅛	....	....	100⅛	....
Tuesday ...17	.....	.....	104⅛	.....	94	....	101	....
Wednesday18	105⅛	104⅛	104¼	.....	....	....	101⅛	....
Thursday ..19	105⅛	.....	104⅛	.....	....	....	101⅛	99⅛
Friday.....20	105⅛	.....	104⅛	101	....	....	101⅛	....
Saturday...21	106¼	.....	104⅛	101⅛	98⅛	....	101⅛	....
Sunday.....22	.....	.....	.....	.....	....	....	.....	....
Monday....23	107	.....	104¼	.....	94½	....	101⅛	101⅛
Tuesday...24	.....	107⅛	105	.....	95⅛	95¼	101⅛	....
Wednesday25	.....	107⅛	105⅛	.....	96¼	96	101⅞	....
Thursday ..26	108¼	.....	106⅛	.....	95⅛	95⅛	101⅛	....
Friday.....27	108⅛	.....	106¼	102	95⅞	....	101⅛	....
Saturday.. 28	.....	.....	106⅛	.....	95⅝	....	101⅞	....
Sunday 29	.....	.....	.....	.....	....	....	.....	....
Monday....30	.....	108⅛	105⅛	102⅛	94⅛	....	101⅞	100⅛
Opening.....	105⅛	105	104¼	100⅛	92	92⅛	100⅛	99¼
Highest	108⅛	108⅛	106⅛	102⅛	96⅛	96⅛	101⅞	101⅛
Lowest.....	104⅛	104⅛	103	100⅛	91⅛	91⅛	100⅛	99¼
Closing.....	108⅛	108⅛	105⅛	102⅛	95⅛	95⅛	101⅛	100⅛

During the month it has been given out that McCulloch is soon to put a new loan on the market, and the idea, in the presence of the rapid improvement in

Government credit, has been received with favor. If it is really acted upon, it is hoped that two or three features will be observed. And first, our new consols should not bear more than five per cent interest, nor should they be negotiated below par. During the war there was an attempt made to negotiate a large five per cent loan at par. The success of the attempt did not equal the wishes of its promoters, and even now the Ten-forty five per cents are less popular than they deserve to b·. Now before our new consols could be negotiated at par, the Ten-forties must rise to about the same price. And there are indications that this point will be reached in a very short time. For their price has been steadily advancing for some weeks past; in consequence, partly of the increased demand from the National Banks, which hold a very large proportion of the 190 millions of these bonds. No one who has watched the market for Government securities can doubt that in the present and prospective state of the national credit, we shall be able to borrow at five per cent all the money we want, to pay off our obligations as they fall due, and to consolidate into five per cent long bonds, at par, all our short date securities at maturity. Moreover we need not be in any inordinate haste to realize this plan. Our consolidated five per cents will, of necessity, be long bonds, and will probably have to run forty years absolutely. That is, we shall pledge our national credit to the payment for more than one-third of a century, of an annuity of five per cent to the public creditors. This offer now is a very different thing from what it would have been a year ago. Our immense revenues from internal taxation, our resuscitating industry North and South, our inconceivably vast resources in mineral, manufacturing and agricultural wealth, the rapid absorption of our disbanded armies in the ranks of our productive laborers; these, and a thousand other things, have, during the past year, given such an impulse to the national credit, and to the production of national wealth, that an offer of five per cent interest now will command a very much higher bid in the money market. Moreover, national credit is still improving. A year hence it will have made an equal advance, or probably a greater advance, than in the past. Now our argument is that we shall in a few months find it more easy to negotiate five per cent bonds at par, than we found it during the last fiscal year to negotiate six per cents at the same price. And it is a very gratifying circumstance that we can afford to wait; for such is the present position of the debt, that no part of it becomes due for more than a year, except such as can be easily provided for. We need not, therefore, be in any hurry to put our plans of consolidation into effect. To anticipate, to put in hasty premature operation an ill-considered scheme, might endanger our success, or would, at least, retard it.

Railroad Stocks have been active during the month, and renewed confidence is felt in them on account of the continued large receipts. Below are the March earnings of the principal roads comparing those of the two years, 1865 and 1866:

Railroads.	1865.	1866.	Difference.
Chicago and Alton	$299,063	$304,885	Inc. $5,822
Chicago and Great Eastern	83,450	111,102	" 27,652
Chicago and Northwestern	499,296	523,744	" 24,448
Chicago and Rock Island	289,403	226,251	Dec. 63,152
Cleveland and Pittsburg	222,411	167,007	" 55,404
Erie (including Buffalo & W. Division)	1,331,124	1,070,434	" 260,690
Illinois Central	416,665	516,822	" 99,843
Marietta and Cincinnati	93,503	83,910	" 10,593

Michigan Central	344,228	337,158	"	7,070
Michigan Southern	413,322	412,393	"	929
Milwaukee and St. Paul	95,905	124,175	Inc.	28,270
New York Central	955,659	1,150,000	"	194,341
Ohio & Miss., Eastern Division	184,581	191,827	"	7,246
" " Western "	129,333	134,409	"	5,076
Pittsburg, F. Wayne & Chicago	857,583	654,390	Dec.	203,193
Western Union	32,378	39,299	Inc.	6,921
Total (16) roads	$6,447,904	$6,046,806	Dec.	$401,098

This shows that the gross earnings during March was very nearly equal those for the corresponding month of last year. The greatest falling off has been in the Illinois Central, the Erie, and the Pittsburg, Fort Wayne and Chicago lines. The average loss is so small as even to constitute a vast gain over the popular pre-estimate, or what was expected; and the general result so favorable as to have materially affected the stock market as stated above. The war having ceased, the peculiar business it created has ceased also. But a healthier and more regular business is fast taking the place of that which has been lost, and the railroad business of the country shares largely in the restored movement. The commerce of peace, indeed, has been fully re-established, and the business of the country generally is in a very satisfactory condition. We will now aggregate the earnings for the first quarter of the current year. The following table shows the gross earnings of only 13 of the roads included in the preceding table, the complete returns of the three omitted roads not being within our reach:

Railroads.	1865.	1866.	Difference.	
Chicago and Alton	$854,848	$722,969	Dec.	$131,879
Chicago and Great Eastern	288,570	277,855	Inc.	39,285
Chicago and Northwestern	1,522,465	1,452,944	Dec.	69,521
Chicago and Rock Island	841,2?8	637,970	"	203,218
Erie	3,413,759	3,241,289	"	172,470
Illinois Central	1,717,173	1,611,677	"	105,496
Michigan Central	929,689	885,392	"	44,297
Michigan Southern	1,143,679	1,010,168	"	133,511
Milwaukee and St. Paul	280,614	378,503	Inc.	97,889
Ohio & Miss., Eastern Division	477,618	493,854	"	16,236
" " Western "	334,657	346,033	"	11,376
Pittsburg, F. Wayne & Chicago	2,226,232	1,684,617	Dec.	541,615
Western Union	118,359	120,407	Inc.	7,048
Total (13) roads	$14,093,941	$12,863,678	Dec.	$1,230,263

The falling off for the first quarter of 1866 is thus equivalent to 8 72 per cent as compared with the earnings for the same period in the preceding year. Nor is this diminution of gross earnings, though proportionately greater than for the last single month, excessive, and when it is also considered that the large military traffic of 1865 does not exist in 1866, the wonder appears to be that the falling off should have been so light. The fact is, the railroads on the whole are doing exceedingly well, far better than was anticipated.

The following are the prices during the month:

	April 6.	April 13.	April 20.	April 27.
New York Central	92½	93	92½	93
Hudson River	109½	109½	108⅝	110½
Erie	74⅞	74	72⅝	73½
Reading	101	104	103	105½
Mich. So. and N. I.	81	80½	81⅛	82⅛
Illinois Central	116	114⅝	114	122½
Cleveland and Pittsburg	79½	80½	80½	29½
Chicago and N. W.	26	26⅛	26⅛	92
Chicago and R. I.	113½	116½	120	198
Pittsburg, Fort Wayne and Chicago	90⅛	91½	96	92

Our table of the imports of Dry Goods the past month shows a decrease compared with the previous months of the year. The extensive amount which began with August, 1866, reached its culminating point in February last, and has since been on the decrease and the arrivals will probably be comparatively light during remaining months of this fiscal year. The figures for the four months are very greatly in excess of the previous years, being $55,796,357 this year, against $15,268,630 for 1865, and $35,477,140 for 1863. While we are importing so extensively, it is gratifying to know that our exports are also unusually large. The total cotton exported from the whole country since September has been a little over 1,259,000 bales, thus giving the United States a credit abroad of about $200,000,000. The following is the movement of foreign dry goods at New York for April:

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR THE MONTH OF APRIL.

ENTERED FOR CONSUMPTION.

	1863.	1864.	1865.	1866.
Manufactures of wool	$830,954	$1,543,537	$910,037	$1,763,674
do cotton	285,675	494,666	359,347	1,646,906
do silk	655,567	1,085,482	723,972	1,295,425
do flax	419,287	810,588	381,895	1,247,193
Miscellaneous dry goods	159,309	339,168	134,596	687,188
Total entered for consumption	$2,350,802	$4,273,441	$2,509,847	$6,640,286

WITHDRAWN FROM WAREHOUSE.

	1863.	1864.	1865.	1866.
Manufactures of wool	$373,656	$1,072,236	$525,299	$1,618,949
do cotton	86,226	324,103	313,291	777,933
do silk	235,359	533,368	288,331	893,563
do flax	113,442	503,733	283,752	692,620
Miscellaneous dry goods	38,977	71,669	46,356	135,056
Total withdra'n from wareh'se	$847,653	$2,205,109	$1,457,029	$4,308,121
Add entered for consumption	2,350,802	4,273,441	2,509,846	6,640,286
Total thrown on the market	$3,198,455	$6,778,550	$3,966,876	$10,948,407

ENTERED FOR WAREHOUSING.

	1863.	1864.	1865.	1866.
Manufactures of wool	$689,695	$487,551	$391,108	$1 578,336
do cotton	506,106	92,727	212,271	572,188
do silk	291,611	154,697	211,898	756,657
do flax	474,128	143,410	460,187	526,482
Miscellaneous dry goods	71,605	68,449	84,900	156,487
Total entered for warehousing	$2,033,205	$946,804	$1,360,359	$3,590,094
Add entered for consumption	2,350,802	4,273,441	2,509,347	6,640,286
Total entered at the port	$4,384,007	$5,220,245	$3,969,706	$10,220,380

Below we give the figures for the four months of the year:

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR FOUR MONTHS FROM JANUARY 1ST.

ENTERED FOR CONSUMPTION.

	1863.	1864.	1865.	1866.
Manufactures of wool	$6,861,142	$12,059,855	$3,913,621	$12,915,558
do cotton	2,512,164	3,784,246	1,458,459	7,884,277
do silk	3,633,481	7,405,105	2,157,747	8,334,363
do flax	3,091,743	4,003,485	1,975,910	5,997,799
Miscellaneous dry goods	1,122,950	1,826,752	646,607	3,192,021
Total entered for consumption	$17,221,480	$29,079,443	$10,147,344	$38,324,018

WITHDRAWN FROM WAREHOUSE.

	1863.	1864.	1865.	1866.
Manufactures of wool	$1,251,563	$2,794,252	$1,270,219	$5,845,379
do cotton	563,839	1,191,681	1,371,149	3,296,345
do silk	910,345	1,617,664	1,344,587	2,865,796
do flax	494,850	1,367,213	1,529,364	2,100,470
Miscellaneous dry goods	154,264	230,825	341,542	491,082
Total withdr'n from wareh'se	$3,374,861	$7,201,635	$6,956,881	$14,588,922
Add entered for consumption	17,221,480	29,079,443	10,147,344	38,324,018
Total thrown on the market	$20,596,341	$36,281,078	$17,104,225	$52,912,942

ENTERED FOR WAREHOUSING.

	1863.	1864.	1865.	1866.
Manufactures of wool	$2,580,009	$3,061,023	$1,870,949	$7,836,239
do cotton	1,310,197	792,144	991,963	3,039,503
do silk	1,352,693	1,335,741	707,244	3,363,159
do flax	1,167,805	971,213	1,312,012	2,295,851
Miscellaneous dry goods	253,441	237,516	259,118	545,487
Total entered for warehousing	$6,664,146	$6,397,697	$5,121,286	$17,383,239
Add entered for consumption	17,221,480	29,079,443	10,147,344	38,324,018
Total entered at the port	$23,885,626	$35,477,140	$15,268,630	$55,706,357

Below we give the movement of gold through the month :

COURSE OF GOLD FOR APRIL.

Date.	Open'g	High'st.	Lowest.	Closing.	Date.	Open'g	High'st.	Lowest.	Closing.
Sunday 1	.....	.....	.....	.....	Thursday 19	127¼	127¼	126¾	127
Monday 2	128¾	128¾	127¼	127¼	Friday 20	126¾	127¼	126¼	126¼
Tuesday 3	127⅝	128¼	127¼	128	Saturday 21	126⅞	127	126⅛	126⅝
Wednesday 4	128¼	128¼	127⅛	127¼	Sunday 22	.....	.....	.....	.....
Thursday 5	127⅞	127⅞	127⅝	127⅞	Monday 23	126⅛	126⅞	126⅛	126⅛
Friday 6	128	128⅛	127⅛	127⅝	Tuesday 24	126⅞	126⅞	126⅛	126¾
Saturday 7	127¾	127⅞	127	127¼	Wednesday 25	126⅛	127⅛	126⅞	127
Sunday 8	.....	.....	.....	.....	Thursday 26	127⅜	128	127⅛	127¾
Monday 9	127⅛	127⅛	125	126¼	Friday 27	128¼	129¼	128¼	128¾
Tuesday 10	126⅜	126¼	125⅜	125⅞	Saturday 28	129⅜	129½	128¾	129⅜
Wednesday 11	126⅛	127⅛	126⅜	126⅞	Sunday 29	.....	.....	.....	.....
Thursday 12	127⅜	127⅞	127	127⅛	Monday 30	127⅜	127⅞	125⅞	125⅞
Friday 13	127	127	126¼	126¾					
Saturday 14	126¼	126¾	125¾	126⅜	April, 1866	128⅜	129¼	125	125⅞
Sunday 15	.....	.....	.....	.....	" 1865	151⅜	154⅜	143⅜	146¾
Monday 16	125¾	126	125¾	125⅞	" 1864	167	184⅜	166¼	179¾
Tuesday 17	125⅝	126¾	125¼	126¼	" 1863	157	157⅞	145¾	150⅜
Wednesday 18	126⅛	127⅜	126⅞	127⅛	" 1862	102	102¼	101⅛	102

The Treasure Movement at New York weekly, and the amount in Banks at the close of each week since January 1, has been as follows :

TREASURE MOVEMENT FOR 1866.

1866. week ending	Receipts. from California.	Exports. to foreign countries.	Sub-Treasury Customs receipts.	Sub-Treasury Interest payments.	Sub-Treasury Gold Certificates issued.	Sub-Treasury Certificates returned.	In banks at close of week.
Jan. 6	.....	$552,027	$2,107,341	$3,597,240	$3,122,440	$1,34,8832	$15,778,741
" 13	$685,610	640,503	2,334,694	1,130,789	3,206,180	1,578,194	16,852,566
" 20	799,706	685,894	2,754,369	574,162	2,706,406	1,928,641	15,265,372
" 27	.....	656,812	3,226,040	279,842	2,598,400	2,137,048	13,106,789
Feb. 3	944,878	292,568	3'347,422	115,204	2,081,280	2,221,423	10,937,474
" 10	1,449,074	443,409	3,251,734	120,179	1,916,700	2,376,735	10,129,866
" 17	.....	445,489	2,893,008	94,828	2,992,900	2,158,009	10,308,758
" 24	1,209,048	580,195	2,608,796	119,879	5,893,280	1,995,796	14,213,361
Mar. 3	.....	75,453	3,386,934	1,183,343	2,125,000	2,664,934	17,181,180
" 10	1,469,286	556,284	2,297,836	882,712	2,101,000	1,706,835	16,563,237
" 17	1,425,353	236,671	2,464,482	328,593	1,498,400	1,919,483	15,015,942
" 24	389,837	170,297	2,509,419	174,911	361,280	1,886,419	13,945,651
" 31	782,857	3,500	2,451,345	225,414	1,876,000	1,895,334	11,930,[illegible]
Apr. 7	.....	276,842	2,563 010	63.140	3,016,840	2,120,010	11,436,295
" 14	729,803	122,628	2,857,704	49,800	5,038,460	2,274,704	11,035,129
" 21	809,459	117,312	2,585,568	35,169	4,204,000	1,971,568	9,495,461
" 28	.....	73,880	2,246,307	40,506	4,137,140	1,760,307	8,948,987
Since Jan 1	$10,694,970	$6,149,067	$46,136,009	$9,015,711	$48,371,70.0	$33,944,273	$.....

The following gives the amount of specie exported from New York to foreign ports from January 1 to the close of April;

1866	$5,079,764	1861	$2,876,296	1856	$7,901,843
1865	5,461,216	1860	7,177,734	1855	9,227,300
1864	16,158,662	1859	14,279,959	1854	8,937,069
1863	17,148,514	1858	10,079,919	1853	4,730,424
1862	12,944,101	1857	9,423,150	1852	7,232,761

The following is an official statement of the total amount of Gold Certificates issued and redeemed up to April 30:

Denominations.	Issued.	Redeemed.	Outs'd'g.
20s	$132,620	$83,900	$48,720
100s	2,504,500	1,372,200	1,132,300
1,000s	10,608,000	7,952,000	2,656,000
5,000s	53,500,000	47,565,000	5,935,000
10,000s	860,000	860,000	.....
Total	$67,605,120	$57,833,100	$9,772,020

The following statement shows the daily fluctuations of foreign exchange on London, Paris, Amsterdam, Bremen, Hamburg, and Berlin at New York for the month of February, 1866:

COURSE OF EXCHANGE FOR APRIL.

Days.	London. cents for 54 pence.	Paris. centimes for dollar.	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin. cents for thaler.
1	.....	.....	.....	.....	.....	.....
2	106⅛@106⅜	537½@532½	39⅜@40¼	76¼@77¼	35⅛@35⅝	70 @70¼
3	106⅛@106⅜	533¾@528¾	39¼@40¾	76¼@77¼	35¼@35½	70 @70¼
4	106⅛@106⅜	533¾@528¾	39¾@40¾	76¼@77¼	35½@35½	70 @70¼
5	106⅛@106⅜	535 @530	39¼@40¼	76¼@77¼	35¼@35½	69¾@70¼
6	106⅛@106⅜	535 @528¾	39½@40¼	76½@77	35¼@35½	70 @70¼
7	106⅜@106⅜	534 @531¼	39½@40¼	76½@77	35¼@35½	70 @70¼
8	.....	.....	.....	.....	.....	.....
9	106⅜@106⅜	535 @530	39¼@40¼	76¼@77	35 @35½	69¾@70¼
10	107 @107¼	532¼@527½	40 @40¼	76¾@77¼	35¼@35½	70¼@70½
11	107¼@107⅝	531¼@527½	40 @40¼	77 @77¾	35½@35½	70 @70¾
12	107¼@107⅜	530 @526¼	40 @40½	76¾@77¼	35¼@35½	70 @70¼
13	107⅜@107⅜	528¾@526¼	40½@40¾	76¼@77¼	35¼@35½	70 @70½
14	107⅛@107⅜	528¾@526¼	40¼@40¾	76¾@77¼	35¼@35½	70 @70½
15	.....	.....	.....	.....	.....	.....
16	107¼@107¾	528¾@525	40½@40¾	77 @77¼	35½@35½	70½@70½
17	107⅝@108	528¾@528¾	40 @40¾	77¼@77¾	35½@35¾	70¾@71
18	107⅝@108	528¾@528¾	40 @40¾	77¼@77¾	35½@35¾	70¾@71
19	107¼@108	528¾@528¾	40 @40¾	77¼@77¾	35½@35¾	70¾@71
20	107⅜@107⅝	528¾@525	40½@40¾	77 @77¼	35¼@35½	70 @70¾
21	107⅜@107⅝	528¾@525	40¼@40¾	77 @77¼	35¼@35½	70 @70¾
22	.....	.....	.....	.....	.....	.....
23	107⅜@107⅝	528¾@528¾	40 @40¾	76¾@77½	35½@35½	70¼@70¾
24	107¼@107¾	528¾@525	40½@40¾	77 @77¼	35½@35½	70¾@71
25	107¾@108¼	530 @528¾	40¼@40¾	77¼@78	35¼@36	70¾@71
26	108 @108¾	526¼@524¼	40½@41	77½@78	35¼@35¾	70¾@71¼
27	108 @108¾	527¼@521¼	40¾@41	77¼@78¼	35¼@36	70¾@71½
28	108 @108¾	527½@526¼	40¾@41	77½@78¼	35¼@36	70¾@71½
29	.....	.....	.....	.....	.....	.....
30	106¾@108¾	523¾@517½	40¾@41	77¼@78¼	35¼@36½	71 @71½
Apr	106¼@108¾	537¼@517½	39¼@41	76¼@78¼	35 @36½	69¾@71½
Mar	106¾@108¾	530@ 518¾	40 @41	77 @78¾	35¼@36¼	70¾@71¼
Feb	107¼@108¾	532½@517½	40¼@41	77 @79	35½@36½	70¾@71¾
Jan	108 @109¼	523¾@515	40½@41	78 @79¾	36 @36¾	71 @71¾

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Over-issue of National Bank Notes—Act to withdraw from Circulation and Re-distribute the Currency—Quarterly returns of National Banks—Weekly returns of National Banks of the United States, also returns of the Banks of the three cities.

THE general interest which attaches to the questions affecting the amount and the distribution of our paper money, induces us to print in full, elsewhere, the letter sent by Secretary McCulloch to the Chairman of the Finance Committee of the Senate on the 23d inst. This document, with the accompanying tables, is extremely suggestive, and will well repay the most careful examination.

Among other important points on which it throws light, is the authorized over issue of notes, which has recently been the subject of inquiry. The law provides that the total currency of the national banks shall never exceed 300 millions, and that this sum shall be equitably distributed among the States; one-half being apportioned according to the representative population, and the other half according to the discretion of the Secretary of the Treasury, having due regard to the monetary requirements of the several States. To prevent any misapprehension, we copy the precise words of the National Currency act, as amended by the law of March 3, 1865. This measure provides "that one hundred and fifty millions of dollars of the entire amount of circulating notes authorized to be issued shall be apportioned to associations in the States, in the District of Columbia, and in the Territories, according to representative population, and the remainder shall be apportioned by the Secretary of the Treasury among associations formed in the States, in the District of Columbia, and in the Territories, having due regard to the existing banking capital, resources and business of such States, district and territories." It has been reported that, contrary to this law, several of the States have been allowed more than their fair share of the 300 millions of notes, and this report appears to be fully confirmed by the statistics given in Mr. McCulloch's letter. Under what authority the large over-issue has been made we are not informed, but Congress and the people have clearly the right to require the fullest information on this subject.

The remedy for the evil is obviously to be found in the withdrawal of the over-issued currency, and on the 9th of April Mr. Sherman introduced a bill for this purpose into the Senate. This bill does not attempt to interfere with the distribution of the 150 millions of notes which were given by the law of 1865 to the discretion of the Secretary of the Treasury. It deals only with the 150 millions which, as that law distinctly and positively enacts, are to be distributed according to representative population. These notes, and these only, it "requires" the Secretary of the Treasury to distribute as the law of 1865 has directed. And all notes issued contrary to this principle are to be gradually withdrawn. The following is a copy of the bill which is marked No. 256 on the list of the Senate documents:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That to secure a better distribution of the national

currency, the Comptroller of the Currency is hereby authorized and required to apportion one-half of the circulation now authorized by law among the several States and Territories according to their population by the census of 1860; and he is authorized and required to organize national banking associations in such States and Territories as have not such proportion of national currency, with authority to issue circulation to an amount equal to such proportion; but only as the circulation now authorized shall be reduced in the manner herein provided for, and so that the aggregate circulation of national banks shall not any time exceed the sum of three hundred millions of dollars.

SEC. 2. *And be it further enacted*, That to enable the Comptroller of the Currency to comply with the previous section, the circulation of national banking associations now authorized shall be reduced an amount sufficient for that purpose, and upon the following principles: Wherethe amount of circulation now authorized exceeds twenty dollars for each inhabitant according to the cenus of eighteen hundred and sixty, all such excess shall be withdrawn; and if such sum is not sufficient for said purpose, the residue shall be ratably withdrawn in such States in which the circulation now authorized is the highest for each inhabitant.

SEC. 3. *And be it further enacted*, That the Comptroller of the Currency, with the approval of the Secretary of the Treasury, is authorized and required to apportion the said reduction among the several banking associations in such States or Territories according to the preceding section, and requiring of each association in a State to withdraw circulation in proportion as the circulation authorized by it bears to the aggregate circulation authorized in such State. That within six months from the passage of this act the Comptroller of the Currency shall give notice to each banking association whose circulation is reduced of the amount of such reduction.

SEC. 4. *And be it further enacted*, That each banking association receiving such notice shall, within six months thereafter, withdraw its circulation to the extent so required, and shall surrender the same to the Comptroller of the Currency to be cancelled, and may thereupon withdraw a proportionate amount of the bonds of the United States on deposit as security for such circulation. That on failure to withdraw such circulation within the time stated, the Secretary of the Treasury is hereby required to retain in the treasury any of the notes of such banking association that may come into the treasury, and shall retain and hold any interest due or to become due such banking association on its bonds until such reduction is made, and shall from time to time sell so many of the said bonds as are sufficient to pay for the notes received into the treasury as aforesaid, which notes shall thereupon be cancelled.

SEC. 5. *And be it further enacted*, That the Secretary of the Treasury shall make and publish such rules and regulations as are necessary tocarry this act into effect.

It will at once be seen that this law is remedial in its character. It does not enact any new principle of distributing the national banks. It merely recognizes and re-enacts the old rule of representative population, laid down and recognized from the first in the National Banking law; and this principle it expressly limits to one-half of the authorized circulation, leaving the other half entirely to the discretion of the Secretary of the Treasury. We approve of Mr. McCulloch's views as to the importance of extending banking facilities to the South, with the view of developing its resources and stimulating its productive powers. But we only echo the general voice of the business community when we express the wish that he had informed the people why the enormous over-issue of notes was made, which has required such a remedy as that which the bill before us endeavors to apply.

The quarterly reports of the National Banking Associations of the United States for the first Monday of April, is just published and below is an abstract; showing their condition on the morning of the first Monday in July and October, 1865, and January and April, 1866, before the commencement of business on that day:

ed to be out riding, and selected the beach north of the town, on which to take exercise, and found the whole of the beach for miles was being occupied with diggers, who are mining just above highwater mark, and are washing out of the sea-sand sufficient gold to produce from £5 to £20 per week per man. In fact, nearly the whole coast-from the Grey River down to Bruce Bay is a magnificent goldfield; and inland, too, for miles, men are gradually extending the field. During the last fortnight there have been several rushes up to the foot of the snow-capped Southern Alps, where the diggers are finding good payable gold." The total value of New Zealand gold exported from he colony up to the 30th June last was £7 646,809, and the number of ounces was 1,947,667. The principal localities from whence the gold has been obtained hitherto have been Otugo and Christchurch provinces, but the whole of New Zealand is believed by geologists to be auriferous.

TREATY WITH JAPAN—A PROCLAMATION BY THE PRESIDENT.

The following Proclamation has just been issued by the President making public the treaty entered into between Japan and the United States:

Whereas a convention between the United States of America and the Empire of Japan, for the reduction of import duties, was concluded and signed by their respective plenipotentiaries, at Yedo, on the twenty-eighth day of January, eighteen hundred and sixty-four, which convention being in the English, Japanese, and Dutch languages is word for word as follows. [The English version alone is here given.]

CONVENTION.

For the purpose of encouraging and facilitating the commerce of the citizens of the United States in Japan; and, after due deliberation, his excellency Robert H. Pruyn, minister resident of the United States in Japan, and his excellency Sibata Sadataro, governor of foreign affairs, both having full powers from their respective governments, have agreed on the following articles, viz.:

ART. 1. The following articles, used in the preparation and packing of teas, shall be free of duties.

Sheet lead, solder, matting, ratan, oil for painting, indigo, gypsum, firing pans, and baskets.

ART. 2. The following articles shall be admitted at the reduced duty of five per cent:

Machines and machinery, drugs and medicines. (Note.—The prohibition of the importation of opium according to the existing treaty remains in full force.) Iron, in pigs or bars, sheet iron and iron wire, tin plates, white sugar, in loaves or crushed, glass and glassware, clocks, watches and watch-chains, wines, malted and spirituous liquors.

ART. 3. The citizens of the United States importing or exporting goods shall always pay the duty fixed thereon, whether such goods are intended for their own use or not.

ART. 4. This convention having been agreed upon a year ago, and its signature delayed through unavoidable circumstances, it is hereby agreed that the same shall go into effect at Kanagawa, on the 8th of February next, corresponding to the first day of the first month of the fourth Japanese year of Bunkin Ne, and at Nagasaki and Hakodate on the 9th day of March next, corresponding to the first day of the second month of the fourth Japanese year of Bunkin Ne.

Done in quadruplicate, each copy being written in the English, Japanese and Dutch languages, all the versions having the same meaning, but the Dutch version shall be considered as the original.

In witness whereof, the above named plenipotentiaries have hereunto set their hands and seals, at the City of Yedo, the twenty-eighth day of January, of the year of our Lord one thousand eight hundred and sixty-four, and of the independence of the United States the eighty-eighth, corresponding to the twentieth day of the twelfth month of the third year of Bunkin Se of the Japanese era.

[SEAL.] ROBERT H. PRUYN.

And whereas the said convention has been duly ratified on both parts:

Now, therefore, be it known, that I, Andrew Johnson, President of the United States of America, have caused the said convention to be made public, to the end that the same and every clause and article thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In witness whereof I have her unto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this ninth day of April, in the year of our Lord one thou-
[SEAL] sand eight hundred and sixty-six, and of the Indepen dence of the United States of America the ninetieth.

ANDREW JOHNSON.

By the President:
WILLIAM H. SEWARD, Secretary of State.

SAN FRANCISCO,—ITS DEBT, VALUATION, AND TAXATION.

The funded debt of the City and County is $4,968,393, against which sinking funds have accumulated to the amount of $1,000,000, and the provisions aredeemed ample for the retirement of bonds within the several periods of maturity. The cash on hand in the treasury at the end of 1865 was $415,000, exclusive of sinking and interest funds. The outstanding bonds and interest are classified as follows:

City Bonds of	1851,	due 1871, 10 per cent	$1,305,500
do	1854,	due 1893, 10 per cent	174,500
do	1855,	due 1875, 6 per cent	329,000
City and County Bonds of	1858,	due 1888, 6 per cent	1,132,500
do do	School Bonds of 1860,	due 1870, 10 per cent	55,500
do do	School Bonds of 1861,	due 1870, 10 per cent	18,000
do do	Railroad Bonds of 1862 and 1863,	due in 1877 and 1878, 7 per cent	300,000
do do	Judgment Bonds of 1863 and 1864,	due 1883 and 1884, 7 per cent	1,003,393
do do	Pacific Railroad Bonds of 1864,	due in 1894, 7 per cent	400,000
do do	Pacific Railroad Bonds of 1865,	due in 1895, 7 per cent	250,000
Total			$4,968,393

The value of property included in the assessement roll of last year, amounts to $49,138,027 real and $39,775,496 personal estate—in all $88,913,523; of which sum about $21,000,000 will be exempt from taxation, or subject to litigation on questions pending in the Supreme Court, in which is involved the legality of taxing mortgages upon property already assessed to owners of the estate.

Taxes for State, and city and county purposes, are as follows:

City and County—		State—	
General fund	$0 70	General purposes	$0 48½
School fund	35	Interest and sinki'g fund, 1857	30
Street light fund	7½	Interest and sinki'g fund, 1860	1½
Corporation debt fund	43	State Capitol	5
Interest S. F. & S. J. R. bonds	2	Soldiers' relief fund	4
Judgment bonds of 1863 and 1864, sinking fund	7½	Aid to Central Pacific Railro'd	8
		Benefit of line officers, C. V	1
Interest on said bonds	10	Soldiers' bounty fund	12
Bonds of 1855 sinking fund	3	School purposes	5
Pacific R. R. bo'ds sink'g fund	1		
Interest on Pacific R. R. bonds	8	Total for State purposes	$1 15
Street department fund	10		
Total for city & county purposes	$1 97	Total on each $100 valuation	$3 12

The progress of the city has been marked throughout the year, and it is estimated that 1,075 new buildings were erected, making an aggregate of 15,500 in the city and country. Although real estate, in certain portions of the city, was freely offered for sale during the summer months, at lower prices than were ruling last year, a better demand seems to have prevailed the past few months for most descriptions of property.

The following statement will serve to show the activity of the real estate market during the year 1865, and the comparison with 1864:

An abstract of Conveyances recorded in the office of the County Recorder of the City and County of San Francisco, from January 1st to December 31, 1865, (both dates inclusive) exclusive of those made for nominal considerations.

Months.	No. of deeds.	Gross amount.	Largest amount.	Aver'ge. amount.
January	333	$797,295	$40,000	$2,395
February	478	1,008,585	80,000	2,100
March	489	1,320,565	100,000	2,701
April	382	880,305	30,000	2,304
May	419	1,156,681	50,000	2,761
June	326	843,350	45,000	2,587
July	309	694,360	38,500	2,247
August	333	766,995	55,000	2,303
September	220	763,103	42,000	3,383
October	252	758,580	46,000	3,010
November	207	583,536	66,593	2,814
December	301	1,113,066	100,000	3,696
	4,049	$10,686,791		$2,639
In 1864	4,662	11,873,166		2,547

BANK NO'ES.

A Parliamentary return shows that on the 18th of February, 1866, there were in the hands of the public Bank of England notes amounting to £20,763,000. 1,493,200 were £5 notes; 405,600 were £10 notes; the notes ranging from £20 to £100 amounted in value to £5,963,000, and the notes ranging from £200 to £500 amounted to 1,476,000; there were 1,702 notes of £1,000 out. All this is independant of notes to the amount of £6,287.000 remaining in the banking deparfment of the Bank of England unissued at the moment.

LAWS OF NEW YORK TAXING AUCTION AND BROKERS' SALES.

The following is an official copy of the law just passed by the New York Legislature, taxing sales of merchandise made by auctioneers or brokers:

LAWS OF NEW YORK—BY AUTHORITY. CHAP. 547.

An Act to amend chapter sixty-two of the laws of eighteen hundred and forty-six, and other acts additional to the same.

Passed April 13, 1866.

The people of the State of New York, represented in Senate and Assembly, do enact as follows:

SECTION 1. Section 1, chapter sixty-two, of the laws of eighteen hundred and forty-six, is hereby amended so as to read as follows:

All goods, wares and merchandise, and other species of personal property, which at any time shall be exposed to sale by public auction, or offered for sale by sample or otherwise by brokers, with the exceptions mentioned in the second section of this act, and in the fifth section chapter seventeen, of part one, of title one of the Revised Statutes, shall be subject, each and every time that they shall be sold, to fees or duties at the following rates, namely:

1. All wines and ardent spirits, foreign or domestic, at the rate of one dollar on every one hundred dollars.

2. All goods, wares, merchandise and effects, imported from any place beyond the Cape of Good Hope, at the rate of fifty cents on every hundred dollars.

3. All other goods, wares, merchandise or effects, which are the production of any foreign country, at the rate of seventy-five cents on every one hundred dollars.

These fees shall be calculated on the sums for which the goods so exposed or offered for sale shall be struck off or sold, and shall in all cases be made by the person making the sale; and the account, to be made in writing, as directed by section twenty-seven of title one of chapter seventeen of part one of the Revised Statutes, shall be made by every auctioneer and broker under oath, on the first Monday in July and January in each year, subject to the penalties for non-compliance imposed upon auctioneers in said title. One-half of the fees or duties to which damaged goods are now subject shall be paid into the treasury of the State.

Sec. 2. Section two of chapter three hundred and ninety-nine of the laws of eighteen hundred and forty-nine is hereby amended so as to read as follows:

The Comptroller is hereby authorized to employ an agent or agents, whose duty it shall be to carry this act into effect, who shall examine, as often as twice in each year, and whenever the comptroller deem it necessary, the books and accounts of sales kept by the auctioneers, who shall have given bonds for the payment of fees or duties on goods sold at public auction, and of brokers who shall have given bonds for the payment of fees or duties on goods vended by them, as specified by law. The compensation of such agents shall be fixed by the Comptroller; and such agent or agents shall have full power to administer an oath to each auctioneer or broker, and to require such information as may be necessary to ascertain the true amount of goods sold by such broker or auctioneer.

SEC. 3. No person authorized to exercise the office of an auctioneer shall execute the duties of such office, and no broker engaged in selling goods, wares, merchandise or effects, subject to fees or duties by the laws of this State, shall engage in such business until such broker or auctioneer shall have entered into a bond to the people of this State, with two sufficient freeholders as his sureties, in the penalty of five thousand dollars each, conditioned for the faithful performance of the duties of his office, and for the payment of the fees or duties that are or shall be imposed by law, and that shall accrue on sales made by him or under his direction, by virtue of his office. Such bond shall be taken and approved by the agent appointed by the Comptroller, in pursuance of chapter three hundred and ninety-nine of the laws of eighteen hundred and forty-nine; but if executed in a city where there is no such agent, it shall be taken and approved by the mayor or recorder of such city; and if executed by an auctioneer appointed for a county, shall be approved by a judge of the county court for such county; such bond when executed shall be transmitted to the Comptroller, within ten days after such execution, and a copy placed on file in the office of the agent, or where there is no agent, in the office of the county clerk of the county in which the same shall have been taken and approved. The fees to be paid to the agent approving such bonds shall be five dollars; and for approval of the returns to be made of sales, three dollars; and for filing the duplicate copy of the aforesaid bond, fifty cents; every broker or auctioneer who shall sell any goods, wares, merchandise or effects, as specified in this act, without having filed the bonds required by law, or who shall neglect to make or render the accounts, or pay over the duties required by law, shall be deemed guilty of a misdemeanor, and punished by imprisonment not exceeding one year, or by fine not exceeding one thousand dollars, or by both such fine and imprisonment.

STATE OF NEW YORK,
Office of the Secretary of State. }

I have compared the preceding with the original law on file in this office, and do hereby certify that the same is a correct transcript therefrom and of the whole of said original law.

FRANCIS C. BARLOW, Secretary of State.

ACT TO FUND THE NATIONAL DEBT.

The following bill to authorize a thirty year five per cent loan was introduced into the Senate on Wednesday by Mr Sherman and referred to the Finance Committee:

An Act to reduce the rate of interest on the National Debt, and for funding the same.

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That the Secretary of the Treasury is hereby authorized, if he shall deem it expedient for the purpose of funding the National Debt and reducing the rate of interest thereon, to issue registered or coupon bonds of the United States in such form and of such denominations as he may prescribe, payable, principal and interest, in coin, and bearing interest at the rate of not exceeding five per cent per annum, payable semi-annually, such bonds to be made payable in not over thirty years from date, to be issued to an amount sufficient to cover all outstanding or existing obligations of the United States, and to be disposed of in such manner and on such terms, not less than par, as the Secretary of the Treasury may deem most conducive to the interests of the Government. *Provided*, That the expense of preparing, issuing, and disposing of such bonds shall not exceed two per cent of the amount disposed of; and provided, also, that the said bonds and the proceeds thereof shall be executively used in paying up or retiring the obligations or indebtedness of the United States other than United States notes.

SEC. 2. *And be it further enacted*, That the bonds issued under this act shall be known as the "consolidated debt of the United States," and the same shall be exempt from taxation in any form by or under State, municipal or local authority, and in consideration of the reduction of the rate of interest effected by the negotiation of said bonds, the same and the interest thereon and the income therefrom shall be exempt from the payment of all taxes or duties to the United States.

SEC. 3. *And be it further enacted*, That the amount of interest saved by substitution of five per cent bonds for other Government securities shall be applied to the payment of the principal of the national debt; and that for the purpose of insuring the payment thereof, and in lieu of the sinking fund contemplated by the act of February 25, 1862, the sum of at least $30,000,000, including the saving of interest aforesaid out of any moneys in the Treasury not otherwise appropriated, shall be annually applied to the reduction or extinguishment of said debt, in such manner as may be determined by the Secretary of the Treasury, or as Congress may hereafter direct.

SEC. 4. *And be it further enacted*, That, for the purpose of enabling the Secretary of the Treasury to prepare for the funding or payment of the outstanding Treasury notes bearing interest at the rate of seven and three-tenths per cent per annum, holders of such notes are hereby required to advise the Secretary of the Treasury, in such manner as he may prescribe, at least six months before the maturity of such notes, whether they elect that such notes shall be paid at maturity or shall be converted into bonds of the United States, commonly designated as "Five-twenty Bonds," and the right on the part of such holders of converting such Treasury notes into bonds shall be deemed and taken to be waived as to each and every note in relation to which notice shall be given as above prescribed, and the same shall be paid at maturity in lawful money of the United States.

LOST GEORGIA NOTES.

The following is an act just passed by the Legislature of Georgia, prescribing a method of re-producing lost notes and bonds:

An Act amendatory of the law relating to the establishment of lost papers:

SEC. 1. The General Assembly do enact, That from and after the passage of this act the owner or legal representative of any bond, bill, note, draft, check, or other evidence of indebtedness which has been lost or destroyed, may establish a copy thereof by given personal notice at least ten days previous to the day appointed, which notice shall contain a copy of the paper to be established, which notice shall be served on the party against whom said indebtedness is sought to be established, and by making oath before some officer authorized to administer an oath, that he is the owner of such paper, and that the same has been lost or destroyed. A copy thus established, with said affidavit attached, may be used in any court of this State in lieu of the lost original.

SEC. 2. Be it further enacted, That if any party who is liable for the payment of said lost paper, in whole or in part, or whose interests are affected by the establishment of said paper, shall make oath that the said paper never existed, or that the same has been paid off or discharged, the party seeking to establish the same in the summary manner herein provided, shall be remitted to the remedies heretofore provided by law.

Approved March 7, 1866.

THE BOOK TRADE.

Poetry, Lyrical, Narrative, and Satyrical of the Civil War. Selected and Edited by RICHARD GRANT WHITE. New York: The AMERICAN NEWS COMPANY, 1866.

A handsomely bound little volume of poems and ballads bearing the title given above, we notice with pleasure as a valuable addition to the literature of the day, being a complete history, of its kind, of the great civil war, and one of the com-

paratively few books which is destined to outlive the generation in which it is published. To attempt a criticism of the literary merits of the numerous pieces of which it is composed, written by fifty different authors, and many of them anonymous, would be impossible. But with the object and character of the book we are much pleased.

The design of the editor, as stated at length in his preface, was to give from the mass of poems elicited by the war all that appeared worthy of preservation on any account. In making the selection, he adds, "poetical merit has not been the only consideration. Verses which celebrated at all worthily, or with spirit any important event in the war—which expressed truthfully any mood of popular feeling, or which embodied any type of character, whether enduring, or the transitory creation of the circumstances of the day —have been deemed peculiarly fit for this collection."

The compiler commences with the assertion that "it is generally true that great events do not inspire great poems," and fortifies his proposition by references to history. An additional confirmation of the same might be found in the signal failure of all our poets to produce a poem, within a given length of time, which should have such merit as to become a "national anthem." The failure, perhaps, might have been anticipated—the plan being similar to that proposed for the entertainment of a dinner party, to which the host invited a distinguished guest, and informed him in presence of his company, that the party had been given to listen to his well-known wit, and requested him to "please begin."

But the poems produced by the war, though none of them "great poems," are of inestimable value as historical pieces, and as expressions of the feelings of the people on both sides in the late contest. In fact they contain the story of the whole conflict. The feelings of the Northern people on the passage of the first secession ordinance—a feeling chiefly of sadnessand deep regret—appears in the poem of Oliver Wendell Holmes—"Sister Caroline." The perfect torrent of excitement at the North in April, 1861, when the United States flag was fired on at Fort Sumter, our troops were attacked in Baltimore, and the very capital of the country threatened, is pictured in these verses. So also "the sickening anguish of despair," felt by the soldier when he sees his lines broken up and retreating, hears the shout of a victorious enemy pressing them back, and first appreciates that the great battle has ended in a defeat, a rout, and feels as if the destruction of the army, the capital, the Government itself had come, and he would call on the mountains to fall upon him, is also forcibly given on these pages; the dislike to Great Britain for her truly despicable hostility toward us in the day of a calamity; the camp song sung by a million of men on the march and by the camp fire; the story of particular battles and exploits; the great triumph of the people when finally the end of the war seemed to appear, and last of all the overwhelming grief of the whole Northern people after the murder of their President and leader, all find a place in this volume.

The chief poems and ballads of the Southerners are also included in the collection, so that the book is not a representative of one side only in the contest.

To every one who was interested on either side in the great rebellion, the "Poetry of the Civil War" has much that will stir up his feelings, and recall

most vividly the scenes and emotions of that four years of strife in which the most powerful passions of a nation were exercised in alternate distress and fear, in hope and exultation.

CHERRY AND VIOLET; *A Tale of the Great Plague.* By the author of "Mary Powell." New York: M. W DODD, 506 Broadway. 1866.

Every one who remembers the charming little book called "The Maiden and Married Life of Mary Powell," will gladly welcome its worthy successor in "Cherry and Violet." Taking well-known historical facts or personages as a nucleus, the author weaves about them a pleasant net of fiction, so natural, fresh and quaint, that it might well be taken for a narrative of by-gone times. The present story runs through the period of the Protectorate and the Restoration as far as the time of the Great Plague, and the Great Fire which so soon succeeded that visitation. It is difficult to quote from a book whose interest is so evenly diffused, but perhaps the following extract gives as good an idea of the author's manner as any other. The conversation is between the learned Master Blower, who has been driven from his London parish by the plague, and his faithful friend, Mistress Cherry. Cherry has been telling him how his poor parishioners have missed him:

"It's a very nice point," says he musingly, "where we ought to lie by. I believe, had I not left town when I did, I might have been dead now—and yet, perhaps I was like a soldier deserting his post."

I said, "No, sir; you were liker to a soldier carried off the battle-field to the hospital."

"Thank you, Cherry," says he, taking my hand and drawing it under his arm. "And what else?" says he; "come, let me hear all."

"Well, sir," said I, "there's not much more to tell."

"Something, though, I can see!" said he. "Come, out with it, Cherry!"

"Sir," said I, "it's of no use for us to trouble and vex ourselves about what wicked people will say of us in mere wantonness."

"Sometimes, though, we may hear the truth from an enemy," says he. "And what do wicked, wanton people say of me?"

"Why, sir,—some very evil-minded, malapert person hath written on your church door—'A pulpit to let!'"

"The rascal!" said he hastily, and coloring very red. "Why, now, did I not keep on, Sabbaths and week days, till the plague-swellings were actually in my throat, though my congregation often consisted of only two or three old women?" So I said "Yes, sir—only there's no use in being provoked."

"None, none," says he, much perturbed. "God forgive me for it!—I can hardly have patience with them."

I said, "Dear sir, you must have nothing but patience with them."

"You are right, you are right," says he, coloring, but still much moved. "Ill or well, I must go back to them forthwith. . . . the fact is, there is a matter I would gladly have settled here, a little at my leisure. But duty before all! So I'll go back, Cherry, to mine."

I smiled a little as I said, "Somebody has been doing duty for you the last week or ten days, sir."

"Who?" cried he.

I said, "An Independent Minister."

A complex kind of expression crossed his face; for a moment he looked pained and provoked. and then burst out laughing.

"God bless the worthy fellow!" cried he; "I'll do him a good turn, if I can, the first time he'll let me!"

The author of this delightful little volume is said to be Miss Manning, and the publisher promises a series of her works,—the next to be "Mary Powell." They are issued in exceeding good taste, the paper, print and binding being faultless.

CORRESPONDENCE.

NEW YORK, April 23, 1866.

To the Editor of HUNTS' MERCHANTS' MAGAZINE:

Mr. R. G. Hazard, in your April number, has, from carelessness, not from intention misrepresented some of the views of my letter to the Secretary of the Treasury.

He says. "to enable the Government to retain the gold, Mr. V. B. proposes that paper be issued at the market price to pay the gold interest;" and he speaks in the next sentence of my proposing to "increase the supply of paper." Nothing can be found in my letter to warrant the inference that I proposed any additional issue of paper.

Again Mr. Hazard says: "Mr. V. B. proposes that when the gold is thus accumulated, the Government should offer to redeem the legal tender notes, and thus make gold and paper equivalent." I did not propose thus to *make* gold and paper equivalent. On the contrary I did not propose to redeem any of the notes until they had first become equal in current value to gold, under the influence of a constantly increasing gold fund which the people knew was to be applied exclusively to the payment of these notes. I did not fix positively the point of accommodation at which this state of things would occur, but this was to occur first, and then, and not till then, redemption was to be offered.

Respectfully, JOHN D. VAN BUREN.

CONTENTS OF MAY NUMBER.

ART.		PAGE.
1.	End of the Insurrection—Some of its Tendencies	329
2.	The Balance of Trade and Protection	331
3.	A Visit to the Bullion Vaults of the Bank of England	337
4.	Food and its Adulterations	340
5.	Virginia State Debt	342
6.	Debt and Finances of Kentucky	344
7.	Commerce of the United States	347
8.	Analyses of Railroad Reports, No. 8	349
9.	South Carolina Railroad	366
10.	Mr. McCulloch's Letter on the Distribution of National Currency	368
11.	The Austro-Prussian War-Cloud	372
12.	The State Tax on Sales	374
13.	Pork Packing in Chicago	376
14.	The United States Debt	385
15.	Application of Hydraulics to Steamships	386
16.	Commercial Chronicle and Review	387
17.	Journal of Banking, Currency and Finance	396
18.	The Transmutation of Metals	399
19.	Bullion in the Bank of England	400
20.	Gold in New Zealand	401
21.	Treaty with Japan—A Proclamation by the President	402
22.	San Francisco—Its Debt, Valuation and Taxation	403
23.	Bank Notes	404
24.	Laws of New York Taxing Auction and Brokers' Sales	404
25.	Act to Fund the National Debt	405
26.	Lost Georgia Notes	405
27.	The Book Trade	405
28.	Correspondence	408

THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

JUNE, 1866.

TAXATION OF GOVERNMENT BONDS.*

BY HON. AMASA WALKER.

The question of taxing credits assumes great practical importance when regarded in relation to the National Debt of the United States. We will assume that debt to be three billion dollars ($3,000,000,000); This forms a lien or mortgage upon the national wealth, which the Secretary of the Treasury, in his report, December, 1865, estimates at a little over fourteen billions, for convenience we will call it fifteen billions; In that case the national debt will be equal to one-fifth of the national wealth. On this debt of three billions the interest, at six per cent, will be 180 millions. If we suppose that all other demands on the Treasury amount to 120 millions annually, we have an aggregate of 300 millions as the amount of taxation. The national debt, if included in the national valuation would increase it 20 per cent., or from 15 to 18 billions. This would reduce the rate of taxation by one-sixth or 16 2-3 per cent; that is if only property was taxed, the rate would be 2 per cent., if property and national stocks, the rate would be 1.66.

Should the national debt be exempted from taxation there will be 180 millions of *income* that will go untaxed, and that, as can be readily seen is a large share of the *net income* of the whole nation, or what the people save annually after supplying their necessary consumption. The subject therefore is one of surpassing interest to the country. Quite fortunately however, the matter is wholly within the control of Congress, which can as fast as the present bonds and other securities become due, (and they may all be redeemed within seven, and most of them within three years, from 1865,) convert them into bonds not exempted from general taxation.

* From a forthcoming work on Political Economy, by Hon. Amasa Walker, of Massachusetts, now in the process of publication by Little, Brown & Co., Boston.

Public faith should be kept inviolate, but public justice should also be secured as soon as possible. Better far to pay a high rate of interest, if need be, than have so large a share of individual income, and consequently of ability to pay taxes, escape its proper responsibilities. This is desirable not only as a matter of policy, in removing a prominent cause of popular dissatisfaction, which may sooner or later endanger the security of the Debt itself but as an economical advantage to the country.

The effect of exempting the public debt from taxation may be illustrated as follows: A has an income of $1,500 derived from a salary, B has an equal income derived from coupons on the national stocks, A must pay taxes and of course must economize accordingly; B pays no taxes, and consequently has no occasion to save on that score. Now, as all national capital comes from the savings of the people, it can be seen at once, that if one-sixth the part * (in amount,) of the tax payers are exempted from taxation, they are to an equal extent exempted from all necessity of saving.

We are aware that the holders of public stocks pay indirect taxes (customs, excise, &c.,) but so also does the man who has no interest in the funds. What we intend to say is, that so far as a man's wealth is invested in our taxed securities, in so far he has no motive to save arising from a taxation to which all others are liable. Looking then at its economical bearings merely, ought not all public securities to be included in the general schedule of taxation, both by the national government, and the states, cities and towns in which the holders reside?

CONSOLIDATION OF THE NATIONAL DEBT.

While this work is passing through the press, a proposition is made in Congress to consolidate the debt of the United States into a uniform 5 per cent stock, having thirty years to run, payable, interest and principal in gold.

It is, doubtless, desirable to effect such a consolidation, provided it can be done in an economical and proper manner, but the proposal to exempt the consols from taxation is quite another matter. We have already spoken of the invidious as well as unjust operation of a system which exempts from taxation one sixth part of the national resources, but since the proposal has been made, it becomes desirable, we think, to give the subject some further consideration.

We shall not dwell upon the political bearings of a measure sure to create abiding dissatisfaction—sure to be a most dangerous weapon in the hands of political aspirants, and certain to endanger eventually the security of the debt itself. We shall speak only of its economic bearings.

1st. The exemption of $3,000,000,000 from taxation for all National, State, County, Town, School District and Parish, purposes, will create a very considerable and influential *class of persons*, who, while they will have the legal right to vote appropriations for all public objects, will be under no obligation to pay a farthing of the amount raised; who while interested in having large public improvements made, will have no respon-

* It is, doubtless, far more than one-sixth part of the net national income, probably, at least one-fourth, or 25 per cent. A large share of the estimated 15 billions of aggregate wealth is of a character to escape taxation.

sibility for the expense of them; a class to whom it will be a matter of entire indifference how large the assessments may be, or how unwisely or wastefully the public finances may be conducted. Can any reasonable man think it expedient and proper to create such a class? Does any one doubt that its influence would be unfavorable to the public welfare? We already exempt labor, to a great extent, from the burdens of State and Municipal Taxation, by limiting the poll tax to a fixed and very trifling amount, so that the poll tax-payer can vote any sum he pleases, with entire impunity. By exempting three billions of the national credit from taxation, it is now proposed to place capitalists, so far as they are owners of the public stocks, in the same favored position. That interest of the two parties will then be identical in regard to all public expenditures paid for by a direct tax on property, as State and Municipal charges generally are. Both can vote away money, and leave the unfortunate property-holders to settle the bills. By the exemption proposed, government creates a great antagonism in the body politic. It grants a special and most important favor to one class, at the expense of others. It may be urged that the favor has been paid for, by the creditors of the government, in that they took the stock at a less rate of interest than they would have done had it been subject to taxation. But can government with any propriety make any such condition? Can it rightfully grant for any consideration whatever, a dispensation to one class of citizens from all pecuniary obligation to State, City and Town authority throughout the nation? Surely not, consistently with justice and equality, because in our community the favor granted may be worth one per cent, in another two. In one locality it may advance the general valuation one half, in another only one-tenth, in one Municipality it may increase the general rate of taxation five mills on the dollar, in another twenty.

Can that be just and equal? And yet all taxation under a free government, must be seen to be clearly impartial and just, or the people will not submit to it.

2d. Such an exemption will create a powerful influence against the payment of any thing but the interest of the debt. This can be readily seen, and hence we perceive another unfavorable effect from the proposed policy. The debt should be paid off as soon as practicable. It should not all be placed out of reach for thirty years, and exempted for all that time from contributing to its own discharge, unless we are prepared to resign ourselves to never ending taxation for the payment of interest.

In a *sectional point of view*, the exemption principle will be very unequal in its bearings. In the new States when capital is comparatively scarce and local taxation nominally heavy, its operation will be especially oppressive and odious. Every available dollar will be put into government bonds, unless it will command an excessive rate of interest on individual security. Will not this enhance the rate of interest, when capital is most scarce? If so will it not be most burdensome to those who can least afford to bear severe taxation and high rates of interest?

A third consideration is that the contemplated exemption has a direct and powerful tendency to cripple the industry of the country by absorbing a large proportion of its wealth into the debt of the government. If the national bonds should be relieved of taxation for 30 years, no more will go abroad for sale, and those now in Europe *will be returned upon us.*

Of that there can be no doubt. The difference occasioned by the exemption here, which does not attach to bonds held abroad will be so great as insure their return to the American market. That this will make the working capital of the country scarce and high, and thus greatly injure all the industry of the nation, especially that engaged in manufactures, is beyond a question.

The last consideration we shall name is, that the proposed measure is *entirely unnecessary*. Such a policy should never have been entered upon. It was bad financiering, even in the darkest hour of our national struggle, and is wholly inexcusable now.

But it may be replied, "the government cannot negotiate its loans at five per cent, unless the exemption is made." Very well then, promise six. It is far less essential what the rate of interest than the equality of that taxation by which the interest is paid. If one-sixth more interest is to be provided for there will be one-sixth more property on which to assess the tax that is to meet it; the burden upon the people is not increased, only equalized.

The British Government pursued a wise financial policy during its great contest with Napoleon. It consolidated its national debt, issued only three per cents and negotiated these on an average discount of about 41 per cent. Her exigency was great, but the United States is under no such extreme necessity. If a policy is adopted which commends itself to the capitalists of the world, American consols at a low rate of interest will, like the British, command money on the most favorable terms. But there must be no tricks, no subterfuges, no unjust exemptions, which sensible men well know are certain to breed public discontent and imperil the national securities. All must be fair, honest and just; the resources of the United States are ample and rapidly increasing, we only need a wise and faithful administration of them.

We have said there was no necessity for the proposed measure, but it would be well to decide fully and finally upon the policy of consolidation into *one stock at one rate of interest*, yet it is in no wise necessary to bind the Government to issue the whole amount, as proposed, in thirty years. The debt is not all due at this time; if a part, say 1,000 millions, were now authorized for thirty years, when that was taken up the expediency of issuing more on so long a time could be more judiciously decided upon than at present, besides, if only a part were now offered it would be taken with more avidity than if the whole were put at once on the market. Policy, therefore, as well as economy requires a limitation of the issue of 30 years bonds.

The proposal to save 30 millions per annum by issuing bonds at five per cent untaxed, instead of six per cent, in order to form a sinking fund, we regard as idle and delusive. The project never will be carried through. National Sinking Funds, have always failed of success, and in the nature of things always will; besides if such a fund were to be provided for, it could be done more advantageously without exemptions from taxation than with.

THE LONDON FINANCIAL PANIC—ITS CAUSES AND EFFECTS.

THE passed month has brought us news of one of the most disastrous panics within the experience of Europe. Lombard Street has been shaken to its foundations; firms that were supposed by the uninitiated to possess unbounded wealth, have been swept into bankruptcy, and multitudes reared in affluence reduced to poverty. It is stated that there never was such absolute consternation as in the London Stock Exchange on Friday the 11th of May, and in the city the excitement was almost indescribable, surpassing anything within living memory. The excitement which prevailed during the last panic of the kind, in the autumn of 1857, when the Western Bank of Scotland and four other great provincial banks stopped payment, with a great number of private firms, was not equal to the feeling of anxiety and suspense which appeared every where to exist. From about 10 o'clock in the morning, by which time the failure of Messrs. Overend, Gurney & Co. had become widely known, there was a marked influx of people, far beyond the ordinary community of business men of all classes, and in Lombard Street, Birchin Lane, and the neighborhood of the Royal Exchange, restless crowds were collected during the whole day. For some hours in the height of the day Lombard Street and Birchin Lane, from both of which the premises of Overend, Gurney & Co. have an entrance, were all but impassable, and the services of an additional body of policemen were brought into requisition to facilitate the traffic and to maintain order. The prevailing excitement greatly increased when it became known that the English Joint Stock Bank in Clements Lane had temporarily suspended payment. In Bartholomew Lane, Lothbury, and Princes Street, there was also an unusual degree of bustle throughout the day. Altogether, for many reasons, the occasion and the day will, the accounts state, be long remembered in the city of London as the "Black Friday."

To us it becomes a matter of great interest to examine into the causes of this strange excitement, and to inquire how, if possible, similar trouble can be avoided. There is a disposition to imagine that, because England maintains a commanding position among the commercial nations, she has some peculiar virtue in her monetary system; and some contend that this excellence centres in the conservative regulations imposed upon her central banking institution, the Bank of England. To us it appears that a candid examination of the phenomena of English panics would show that these opinions are very wide of the truth. There are defects in her present monetary system, and it remains for the future to remedy them by devising a better.

The causes of the present panic may be said to be commercial, financial, and political. And first, the trade of England has been, for some time, in an inflated condition. The inflation may be traced back to the outbreak of our own civil war. The suspension of the American supply of the great staple of British commerce, cotton, produced a steady and large advance in raw cotton, and in the value of cotton goods; and this rise in prices realized, for Liverpool and Manchester, an enormous extra profit upon their trade. The limitation of the United States supply of the staples of food also had the effect of increasing the costs of living,

which ultimately resulted in an advance in the price of labor, and, consequently, in the cost of products generally. The important rise in the price of cotton caused a sympathetic advance in wool, flax, and silk, and, consequently, in the value of all fabrics made from those materials. Nor is it to be overlooked that the enhanced cost of manufactures was supported by a large increase in the demand for goods from those countries which sent to England enlarged supplies of cotton. Here, then, was the basis for a commercial inflation—an abnormally high range of values. This condition of affairs could not prove permanent; and the close of our war, with a consequent large increase in the supply of cotton, was the beginning of the collapse from this expansion. The reactionary process was naturally attended with a desire, on the one hand, to carry stocks of goods and commodities rather than sell them at low prices, and, on the other hand, with an indisposition on the part of the banks to make free advances upon property which they saw must be realized upon at a loss. This opposite course between lenders and borrowers naturally weakened confidence and prepared the way for panic.

The commercial derangement proved to be the parent of a financial inflation. In 1861 and 1862, large amounts of manufacting capital in Lancashire was thrown out of employment. At the same time, large accumulations of money were realized from the rise in the price of cotton and cotton goods. This surplus capital settled into the reservoirs at London, and the financiers of that city were not backward in devising means for employing it. As there was no use for it in connection with existing commerce or industry, except at very low rates of interest, a host of new companies, chiefly of limited liability, were created; the object of some being trading, others mining, others contracting, others for promoting remote foreign enterprises, but the majority being what are known as finance companies. Not one in ten of the new institutions arose naturally from the presentation of legitimate openings for such enterprises; but, in a large majority of instances, the companies were formed by artful "promoters" merely for the purpose of taking up idle capital for speculative purposes, at a time of unusual confidence in financial circles. By a well known system of keeping up false appearances, and by "managing" their shares on 'Change, a certain degree of confidence was won over to these companies; the banks were induced to discount their paper freely; and deposits were attracted into the hands of the finance companies. This glittering show of prosperity continued until the essential rottenness of the concerns could be no longer concealed, when the banks began to treat them shyly; insinuations against their credit were whispered on 'Change; the whispers were loudly echoed by the "bears" to depreciate their shares; and, as embarrassments thickened around them, one after another failed, until nearly the whole list became discredited upon the market. Though the business done by very many of these companies was radically rotten, yet it was large in amount; so that it was felt in financial circles that their failure must compromise many firms. The new institutions fostered very naturally the commercial inflation; and the two being twin births, they were also destined to expire together.

Both commercial and financial affairs were thus in a state to excite general mistrust and apprehension. In this condition of affairs all the signs of an extensive war, of such a war as has not been waged in Europe since

the battle-flags of the First Napoleon's countless hosts were furled in 1815 arose over the European sky. A million of men were placed under arms between the Baltic and the Alps; a million more arming in France and Italy. Russia announced her sense of the coming crisis by throwing forward her troops in unusual force towards the Polish frontiers, and Turkey turns yet another screw upon her suffering treasury, in order to "mobilize" her whole disposable military power. Most significant and most disastrous of all, the Emperor of the French, after a studied silence of months on the "European situation" spoke out, after his own mystical and portentous fashion, and declared his "detestation" of the "treaties of 1815," and by a single phrase terrifies the enterprise and industry of Europe and pricked the bubble which was just ready to burst.

Such were the causes operating to produce the panic which resulted in giving so severe a shock to commercial credit and effecting a decided halt in the steady progress of English industrial enterprise. Here it had less influence than much smaller and less formidable revulsions which have from time to time occurred in Europe. Some twenty millions of gold have been exported to England since we received the first news of her financial troubles, and still there has been no derangement of general business, and little interruption of public confidence. Even at the Stock Exchange, the ever sensitive quotations of Government and other securities have been sustained better than might have been expected. It is not, indeed, improbable that but for one perturbing cause, we should scarcely have felt the shock at all, except in cotton, and in a few securities which are largely held in England. The circumstances to which we refer as having chiefly caused the recent perturbation in the money market, is the sale by the Government of thirty millions of gold in the short space of ten days. Some of our readers may be at a loss to understand how these sales of gold should produce such derangement. We will try to explain.

It is well known that under the Sub-Treasury law of 1842, the government requires all payments to be made to it in gold or in other legal tender money. Consequently, the sale of thirty millions of gold would draw into the vaults of the Treasury forty millions of currency, and would absorb this sum suddenly. But the ordinary business of the country is done by a much more economical use of currency. Look, for example, at the Clearing-House settlements of any given day, and you will find that eighty or ninety millions of debt are paid off by the use of only two or three millions of currency. Thus it appears that as much currency is needful for the transactions attending the sale of thirty millions of gold as would suffice to consummate a vastly greater amount of the ordinary business transactions of the country. Moreover, the currency used by the people in their business does not leave the current of the circulation. It is used over and over again and continues actively to pass from hand to hand. But in the case of money paid into the Treasury it is far otherwise. This currency is locked up in the vaults of the government, and depletes for a time the current of the circulating medium of the community. If the depletion be great a stringency in the loan market supervenes till equilibrium is restored. It is easy, therefore, to see that comparatively small government transactions in gold, involving the sudden payment of greenbacks into the Treasury, may, by making currency

scarce, paralyze the movements of capital, stir up great temporary derangement in the money market, and engender wide-spread mischiefs in those departments of industrial enterprise whose success depends on the easy and equable operation of our financial machinery. When we remember that during three days of one week no less than fifteen millions of gold had to be paid for by purchasers from the government broker, it will not appear surprising that we have had a pinch in the money market. The only wonder that the flutter was not exaggerated till it grew into a panic, as most likely would have been the case had not the Assistant Treasurer at New York, by his skillful arrangements, prevented monetary stringency.

But there were peculiar causes for our exemption from the influences of this London panic. First, we do not fear the threatened continental war. It is evident that, if the expected war breaks out in Europe, that continent will grow less food than usual. An immense impulse will thus be given to our raising of breadstuffs and other agricultural and industrial products. The resulting activity in business will benefit our railroad and shipping interests, will impart a higher value to property invested in such enterprises, and will be productive of other important financial advantages. These are some of the reasons on account of which the European war fails to awaken much alarm here. The scene of the conflict is too far off; and, while some of the effects of the struggle would work for our interest, we are so completely isolated from all connection with the belligerents that there is not the slightest danger of our being drawn into the vortex.

Moreover, the fact that our monetary system does not rest on a specie basis is another cause of its stability under the recent shock. If the basis of our currency were liable to be suddenly contracted and disturbed with every sudden demand for coin for exportation, the recent shipments would have spread, throughout the length and breadth of this continent, as much terror as was caused by the most memorable panics our people have ever known. Here we have one of those compensatory provisions which continually meet us at almost every view we take of any department of human enterprise and achievement. A paper currency not redeemable in coin is a curse to any curreney where it prevails; but, as we have just seen, the curse is not without its blessing. Our paper money is unsettled and unstable in its value—that is its evil—but our paper money system is not liable to derangement from foreign demand for specie—that is its compensating good.

Much has been said about this aspect of our return to specie payments, and some persons are asking with much anxiety whether, when we do get back to a coin basis, our financial system will be liable to be at any moment shaken by the exportation of coin, as was invariably the case in former times. Two remedies have been proposed. One is that we should pay all our debts to foreigners, and not go in debt any more. This is, of course, Utopian. Probably more than a thousand millions of dollars of foreign capital is in various ways held here, and we are liable to be called on to pay any part of this debt at any time when our creditors want their money. Now, when a panic arises in any foreign money market, some of our creditors there want to sell our securities or draw their balances. The consequence is that the foreign exchanges are likely to run

against us, and before long gold has to be shipped from this side. Now, this exported coin formed part of the basis of our domestic currency. In taking it away to pay debts abroad, we deplete our interior currency to supply currency for exterior foreign use.

On this view of the case a plan of some ingenuity has been proposed to keep up specie payments, and yet prevent our home currency being violently contracted and our domestic trade disturbed whenever our foreign balances run against us. The plan consists of three provisions. First, let the banks of issue be compelled to redeem their notes not in specie but in gold notes. Secondly, let the government issue these notes on deposit of gold and issue no notes which are not represented by gold actually in hand. Thirdly, let the gold notes be legal tender and let a weekly statement be published of the amount outstanding similar to weekly reports of the banks of England and France, and let a minimum and maximum amount be fixed below or above which the outstanding volume of gold notes shall not go. We do not offer this plan as perfect. Indeed, we see several objections to some of its details. But it may, perhaps, suggest a better plan, or be itself susceptible of the requisite modifications. Of course, its adoption requires that the greenbacks should all be called in, and that hereafter nothing should partake of the nature of legal tender except either the standard coin itself or the gold notes which are actually represented by coin on deposit in the National Treasury.

Some such expedient, it is supposed, would give the needful elasticity to our currency, and would enable us at once to preserve the convertibility of our notes, which is the grand central principle of the Bank of England system; and to preserve our currency without contraction from sympathy with derangements in foreign trade, which is the great recommendation of the system of the Bank of France. It is, perhaps, inevitable that commerce should periodically run into wild inflations, and that financial affairs should lapse into an unsound state; but the derangement of our internal commerce should not follow every European panic, and would not, if some such expedient were adopted. Finally, this disturbance in the London money market shows us that there are decided defects in the English monetary system. Had it been possible, without sacrificing the principle of convertibility, to invest the Bank of England under easier conditions, with the power to do what was allowed to it in the last extremity by the government, there might have been no panic. The banking houses had an abundance of the most desirable securities; but the Bank of England was verging upon the legal limit of its circulation, and the securities were consequently of no avail. There was a dead lock to loans, because the Bank could no longer lend. The effect of the legal restrictions upon the circulation of the Bank, is seen in the circumstance that the panic began to subside the moment it was known that the restriction was removed, and also in the fact that, in former crisis, panic was stayed instantly upon the suspension of the bank restrictions. The system needs another feature; in some way disconnecting as much as possible the internal finances of the kingdom from its international exchanges.

COAL IN THE UNITED STATES.

WHATEVER may be the future product of the Coal Mines of Great Britain, it is certain that the United States possess a supply which many generations cannot exhaust. The whole extent of the coal area in the United States has been usually divided into four principal coal-fields or tracts, viz.:—The Great Central, Alleghanian or Appalachian coal-field, extending from Tuscaloosa in Alabama, through Eastern Tennessee and Kentucky, Western Virginia, Maryland, Ohio, and Pennyslvania, and reappearing in New Brunswick and Nova Scotia. This field has been computed to cover within the United States an area of 50,000 to 60,000 square miles of which about 40,000 square miles, or 25,600,000 acres, are considered workable area. It is subdivided into eight minor divisions productive of bituminous coal. The second coal-field occupies the greater part of Illinois and Indiana, and in extent is nearly equal to the first. A third field covers a large portion of Missouri, and the fourth the greater part of the State of Michigan. The Chesterfield bituminous coal-field, a detached district of small area near Richmond, Virginia, contains the oldest-worked collieries in America, and for many years furnished the only supply of coal for the seaboard towns. The greater part of the area of workable coal in the bituminous coal-fields above mentioned remains as yet undeveloped. The detached basins of anthracite coal in Pennsylvania, which form one of the most interesting of this great coal-producing territory, though limited in aggregate area, as yet produce considerably more than all the others put together.

The coal area of the United States, according to Taylor's "Statistics on Coal," a work published in 1855, was estimated in 1845 to cover 133,132 square miles, or 85,204,480 acres, which was nearly one-fourth of the total area of the twelve States in which the coal formations lay. It was equivalent to nearly three-fourths of the coal areas of the principal coal-producing countries of the world. Of this area 8,397 square miles were on the west side of the Missouri River, and 124,372 square miles east of the Mississippi River, whilst 437 square miles were occupied by the anthracite deposits of Pennsylvania. More recent estimates (from the report of the Commissioners of the General Land Office) have made the American coal-fields, so far as they have been developed, to cover nearly 20,000 square miles, or one-tenth the entire area of the kingdom. The coal formations of British America are computed to have an area of 18,000 square miles.

In 1845 the production of the British coal-fields was set down at 31,500,000 tons annually. The product in 1858 was stated to be upwards of 65,000,000 tons, worth at the pit's mouth 16,700,000*l.*, and in 1863, 86,292,215 tons, valued at 20,572,945*l.* An eminent geologist estimates the average thickness of the workable coal of Great Britrin at 35 feet, and the total quantity of workable coal at 190,000,000 tons. If the whole area of the productive coal-fields of North America be taken at 200,000 square miles, and the average thickness at 20 feet, Mr. Kennedy calculates that their product will be 4,000,000,000,000 tons. The relative size of the coal measures of the United States and other countries has been made more appreciable by taking the amount of workable coal in

Belgium as 1, then that of the British Islands becomes rather more than 5, that of all Europe 8¾, and that of North America 3. Professor Rogers, in a work on the coal-fields of the United States as compared with those of Europe, calculates that the United States has 1 square mile of coal field to every 15 square miles of territory; Great Britain 1 to every 30 of surface; Belgium, 1 to every 22½; and France, 1 to every 200 miles of surface. The relative superficial magnitude, he observes, of the coal-fields of the countries possessing coal will be recognised if we compare them by some simple unit of measure. Let this be 100 square miles. In this case—Russia will be represented by 1; Spain, 2; anthracite fields of Pennsylvania, 4; Westphalia and Bohemia, 4; Belgium, 5; France, 10; Rhenish Prussia, 10; British Provinces of North America, 17; British Islands, 40; Europe, 75: Pennsylvania, 126; Appalachian coal-fields of the United States, 2,200. Whichever way the foregoing figures are taken they clearly represent the enormous coal-producing power and the vast mineral wealth of North America.

In view of these extensive coal fields in every part of the country it would seem hardly possible that the exhorbitant prices of the last two years could be much longer sustained. And yet we must remember that our supply at present comes from a very limited region, and is under the control of a few transportation companies. Previous to the war the Pennsylvania product had supplied fuel for half the continent, meeting the requirements of our seaport and frontier towns, and even underselling the colliers of Nova Scotia in the markets of Canada. This was due to the facility with which it was quarried and conveyed to different places. These facilities were steadily increasing. Canals and railroads were extended from New York and other parts of the country to the coal regions of Pennsylvania to bring away their product to new districts. But the demand was also steadily increasing year by year when the war began. The war having at once added largely to that demand in supplying our greatly increased steam marine, and the extensive manufactories which were kept in operation to finish material for military use, which aided by the Government issues of currency immediately gave an upward impulse to prices.

This impulse was aided by the flood of 1862, which suspended operations, and led to the exhaustion of the stocks in hand. These and other causes continued to operate sending prices up as a matter of course till the conclusion of the war; at which time indication appeared of a decline. These indications, however, were doomed to disappointment. The attempt during last season of the colliers of the Lackawanna and Wyoming coal districts to reduce the wages of the miners, were followed by an extensive strike, which enabled the companies to sell their stocks at such enormous profits as to suggest to many the possibility that they had secretly connived at the affair. Certainly the strikers only obtained penury for their part of the transaction, and the consumers by reason of it have been compelled to pay exorbitant prices during the entire winter. There are symptoms now of the approach of better times, and yet we do not look for any permanent change for the better until the financial system of the country is placed in a healther condition, and railroads for the transportation of coal to the different ports of the country where it is required have been multiplied.

The present difficulty is exaggerated by the peculiar fact that the transportation business is done principally by the owners of the mines; the mining companies and railroad corporations are substantially identical. The following illustrates the mode by which this state of things was brought about: In Elk County, Pennsylvania, until within a few years the lumber business engrossed every thing. In 1858, however, Mr. Joseph Veazie, a young man from Boston, a graduate of the Lawrence Scientific School, heard that there were bituminous veins of coal in Elk County. He induced his father to come out with him and "prospect" a little. In a few days they discovered quite a number of out-croppings, which confirmed all that had been reported of the property. At that time the geological survey of the State of Pennsylvania, made by Professors Rogers and Lesley, had not been published. That report describes the coal lands thus prospected by Mr. Veazie as the fourth bituminous coal basin of Pennsylvania. Soon after discovering the coal property and learning its value, Mr. J. A. Veazie of Boston and some of his wealthy friends secured a title to six thousand nine hundred acres of these lands, lying in a compact body. At first a company called the Pennsylvania Coal Company was organized under the laws of Pennsylvania; then followed the organization of the Shawmut Company; then of a railroad company; and finally all these companies were consolidated, under a special charter, into one company, called the Pennsylvania Cannel Coal and Railroad Company, with a capital of $1,500,000; thirty thousand shares of fifty dollars each. There are now seven different coal companies in the county of Elk, not one of which existed seven years ago.

A correspondent writing last Fall, shows the way in which the Cannel Coal & Railroad Company manage to realize large profits. Their railroad, 14 miles long, connected with the Philadelphia & Erie Railroad, two and a half miles east of Ridgeway, is completed to an opening which now produces about 100 tons a day, and, when fully manned, will produce 200 tons a day. It is graded 1,300 feet to another opening, which can turn out 150 tons a day, and from which a tramway of 1,200 feet leads to still another opening, also capable of turning out 150 tons a day. The railroad—tramway and all—will be completed by Christmas, when the company will be able to fill orders for 500 tons a day. These coal people will not tell their most hidden secrets, but the coal costs the company not over $1 25 to mine and deliver at the terminus of their road near Ridgway, and as they are selling it for $4 50, it will be seen they have a solid margin of at least $3 per ton; so that by January next they can count a daily profit of $1,500 a day, or $450,000 a year. All this from three openings in one vein. But there are twelve veins of bituminous coal and two of cannel coal. About 30 openings have been made, some of them 800 feet in length and reaching through the hill some 600, and reaching through in the same way, but all deep enough to show the inexhaustible supply of coal on the estate.

The operation of mining is very similar in all mines. In the one referred to above, visitors are allowed seats in the little cars in which the coal is sent out of the mine. The driver is a boy, with a small lamp hung to his cap, in front. Another miner, called a pusher, whose business it is to get coal out of the mines, accompanies. The bank of earth about the entrance is neatly sloped, and well-fitted timbers protect the roof and sides.

The roof is of coal, and the sides of coal down for three feet, where a layer of fine clay comes in, followed by slate. Through the slate water penetrates, and so renders the passage wet and sloppy. A light rail is laid all through the mine for the cars to run upon. Every 25 feet occurs the entrance to a side room or chamber. These penetrate 25 feet, and are then enlarged to the size of 18 feet. Leaving the car and walking into a chamber, we find the miners at work. They lie flat on their backs or on their sides, and dig in the shale under the coal, thus undermining it. Then with wedges they split off great pieces, as large as possible, sometimes several feet long and two feet thick. Thus the miners work until late in the afternoon; the work is excessively dirty, but they earn good wages. Returning from the mines, we must walk out, for the car is needed for business. The laden coal cars descend with their own gravity to the platforms, through which it is dropped upon a screen or sieve which allows the smaller pieces and the dust to pass and separate; the rest runs directly into the car, and in an hour or so is delivered to the dealer at the junction. Mining in all the other bituminous, and even anthracite coal mines, the same as pursued here, only that in all the anthracite mines and many of the bituminous the coal lies below the watercourses, and so wells have to be sunk, shafting put down, and a vast amount of pumping done, thus enhancing the cost of mining and of the coal.

The former practice, in opening a vein of coal, was to begin at the "outcroping" and clear away the earth, or make a large number of openings. This was found to be too expensive and laborious. Now the more convenient method has been adopted of making an opening on an inclined plane or "slope," and laying upon it the two tracks before mentioned—one for the loaded cars, which are drawn out by an engine, and the other for empty cars to descend into the mine. The dimensions of these articles are generally five feet in length by three in breadth.

The more common process, however, is to sink a shaft into the mine. Entrance and egress are by means of a bucket or "carriage," which is let down and drawn up by a rope and windlass. Accidents sometimes happen from the breaking of the rope, and sometimes a person in the carriage is seized with dizziness and falls from the carriage to the bottom of the mine. To prevent fatal results from the breaking of the rope, hooks are fixed to the carriage, which fasten, in such cases, to the sides of the shaft, enabling the rescue of the persons inside from their perilous situation.

At the Baltimore mines, at Wilkesbarre, Pennsylvania, two veins of coal, one immediately beneath the other, are worked at the same time. The upper one has been excavated clear to the "Black Diamond Mines," a distance of two miles. At first the coal was taken from the Baltimore mines by several cuttings, opening out upon a narrow gorge, at the bottom of which flows a little stream of water. Only a footpath lies between those cavernous portals and the edge of the descent, exciting our curiosity to learn how the coal could be removed in any considerable quantities. From this point the floor of the mine slopes gradually to the furthest extremity of the excavation. The miners may be seen in the distance, each with a little lamp in his visors, moving hither and thither, and appearing in the darkness like the shades of denizens of the wide world. In winter time the spectacle is fully as impressive—the evergreens in the little gorge

laden with snow, the streamlet flowing rapidly along, the entrances of the portals hung with icicles, the floor and roof inside covered as with stalagmites and stalactites, all of ice, colored by the carbonate of iron, the lights and shadows made by the pillars of coal which have been left to support the roof, and the lights of the dusky laborers gliding hither and thither far away down there beneath the earth.

Those pillars of coal, usually about six feet in diameter, are always left to support the roof of the mine; and when the vein is worked out they are removed, and wooden pillars having been put in to take their place, sometimes the roof falls, burying whomever may happen to be within the mine. The town of Pittston, at the confluence of the Lackawanna and Susquehanna, has been nearly undermined in this manner; but as yet few of those fallings-in have taken place. A few years ago, however, the public school-house sunk down into one of these places.

These chambers, many of them within the mines, are really very fine. Some of them are so low that a person of medium stature must stoop to get through them, and so narrow that two persons can barely pass each other. But others are eighteen feet from floor to roof, and fifty feet in breadth; the roof consisting of slate smoothly polished, and beautifully indented with perfectly shapen fossils, and the walls being rough where the coal had been in contact with the slate, with boles of fossil trees here and there in half relief, from one to three feet in diamatar. A fossilised stump of a tree, four feet high, three feet across at the top, and six feet at the bow, was found in the Baltimore mine, and removed with great care to the Court House at Wilkesbarre. The mines abound in beautiful and perfect fossils, principally stem of plants; quartz crystals are also found in the rock which covers the coal.

The anthracite coal is removed from its bed by blasting. It is then placed in cars and drawn away by mules. Sometimes it is taken to the portal of the mine in this manner, but oftener is drawn up the slope by pulleys and "gravity cars" into the "cracker," a lofty building where it is unloaded, broken to peices, screened, and the slate picked from it by children. It is then poured into troughs or conductors of iron, which discharge it into railroad cars and canal boats for transportation. Among the piles of slate and "screenings" which are rejected by this operation are considerable quantities of good coal, which is generally given away to any one who will take the trouble to gather it out. It is no unusual thing to witness boys, and even girls and grown women, ragged and unclean, barefooted and bareheaded, gaunt and smutted, filling their baskets, bags and pails, lifting the dirty burden to their shoulders and staggering away to their wretched homes.

These miners are paid by the quantity of coal got out by them. They seldom work later than three or four o'clock in the afternoon. Some of them, especially the Welsh, are frugal and industrious. Their homes are well kept, and their families interesting. Shelves of books, and newspapers, show that they are intent upon improvement; and in some of the larger towns, they have established reading societies and lyceums. In several instances they have in this way collected a valuable library and cabinets of geological specimens from the mines where they are employed. They have also strong religious tendencies, and do much to toward correcting the disposition and manners of their ruder associates.

But too often the miners are of a different class, and spend as fast as they earn. In a time of scarcity, as during the late great "strike," they are reduced almost to want through their improvidence, although they may have been earning a hundred dollars a month. Yet they never seem to hesitate, however well they may be doing, to break off work and demand higher wages. They are organized into secret societies—a measure often necessary as a protection against the exactions of the companies, who are often unregardful of their rights and welfare; and when these strikes occur, they are thus pledged to stand by each other.

Many of the miners are rude, ignorant, and even dangerous. Some of them speak a *patois* or dialect which requires interpreting to render it intelligible. The children acquire their vicious ways, swearing, insulting persons who happen to speak to them, throwing stones at animals, destroying fences, and doing mischief maliciously. Their appearance, coarse and ragged in dress, dirty and black with coal dust, corresponds with their manners. They seldom attend school or learn to read; and the indications of their future career are not very encouraging.

It is of the utmost importance, it will be seen, that this dying-out of industry shall be somewhat modified. The acts of this class have been able to create high prices of coal everywhere, in other mines as well as at home, and indicate possible consequences of the most serious character. The multiplication of companies would tend to ameliorate their conditions, also the construction of avenues of transit, the managers of which would not have their interests identified too closely with the mining as well as the production of coal.

WHAT FIXES A RATE OF INTEREST.

BY A. D.

A good many otherwise well-informed people believe in the notion that a rate of interest is the result of law. For instance, if the legal rate of interest is six per cent, the market rate must be six per cent; and if the legal rate is then lowered to four, the market rate would necessarily become four. One of the wealthiest and most experienced merchants in New York was heard to express this opinion a few days ago, and none among those who heard him were prepared to refute his position. Yet such an utter lack of breadth is evinced in this notion, it seems extraordinary that any merchant who holds to it, should have been able to make his way successfully among the crowd of better informed men who must have been his competitors.

A particular rate of interest, is in great part an international affair—it is primarily the result of the difference between the civilization of, or more correctly speaking, the security for capital afforded by various nations. The more perfect the security in a country the lower the rate of interest; and the higher the rate of interest, the lower the standard of credit compared with other cotemporaneous countries. However much this law of political economy may wound the self love of particular nations when applied to practice, a little further consideration must convince us of its truth with of course certain modifications.

The immediate cause of a rate of interest is the pressure of monied

capital for employment as compared with the pressure of employment for monied capital—in other words of the demand and supply of loanable funds. The pressure of capital (or wealth) being the immediate cause of the rate of interest, it follows that wherever the great bulk of capital flows to, must be that place where the rate of interest is lowest; and that wherever it flows from is where the rate is highest. Accordingly as we find that in London, Paris and the free cities of Germany and also in the cities of New York, Philadelphia and Boston the rate of interest is lower than anywhere else; and that in the barbarous countries of Asia and China the rate of interest is higher, this argues that capital is constantly flowing towards these cities and from those countries. And such is the fact. Indeed, the law we are illustrating is deduced from the very facts which are being used to illustrate it; so that instead of straining the facts to suit the law, we are simply stating the facts and leaving the law to unfold itself as we proceed.

Some persons, having in mind the extraordinary flow of specie from Europe to India, may be disposed to deny that capital habitually flows from uncivilized to civilized countries; but their doubts can easily be satisfied. The only authority for this doubt is Michael Chevalier in his work on "The Probable Fall in the Value of Gold," wherein the author says:—"The value of silver rises at present (1859) owing to the *sudden* demand for this metal for exportation to the remote East. According to the statement of Mr. James Low, and derived from the books of the Peninsular and Oriental Steam Navigation Company, by whose agency nearly the whole of this precious freight is transported, the vessels of this company carried from England to Asia the sum of 12,118,985*l.* in silver in 1856, and of 16,795,232 in 1857. In 1851 it was only 1,716,000*l.* Besides, from the ports of the Mediterranean there have been sent to the Levant and the remote East (India, China, and the adjacent regions), in 1856, 1,989,616*l.*, and in 1857 3,350,689*l.* This is for the year 1857, or a total of 20,145,921*l.*—that is to say, of more than double the yield of all the silver mines that supply the markets of the Western World. I mean of Europe and America. The efflux of silver is independent of an exportation of probably one-tenth of the above amount in gold, which has been going on during the last few years. It is true that *we ought to deduct* from the exportations of silver to the East a certain quantity of imports, because in these articles (i. e., in gold and silver), alongside of the general stream, there is always a certain counter current. But we have reason to believe that, for the last few years, it has been but a limited sum. At any rate, the amount is *unknown* to us."

As Chevalier's essay has been read all over the world, the notion has prevailed that a steady stream of capital is constantly flowing from Europe to Asia, and has been flowing for a long time past, and will continue to flow for a long time to come. Now, this is all wrong. In the first place, as Chevalier himself admits, the flow of specie to the East has been a sudden movement. It amounted in 1851 to only 1,716,100*l.*, and not until 1856 did it assume any proportion worthy of notice. Secondly, it has been accompanied by a counter current of "unknown;" but not necessarily for that reason of a limited extent. Thirdly, this movement almost ceased by 1860, and it was only set in motion again by the American war, which caused a demand for East India cotton, and necessitated

shipments of specie wherewith to pay for it. Fourthly, the movement, when it began, was not a movement from a state of equilibrium, but was simply a return to the East of a portion of that vast amount of specie which, as we shall presently see, had been previously flowing towards Europe. Fifthly, it was a movement from England and France to India, it is true; but, as Chevalier himself admits, the same specie that went in this way out of Europe simultaneously came back to Europe by way of Russia. Sixthly, and this covers the whole ground. A flow of specie is not a flow of capital, because capital is, indeed, all kinds of wealth. For every dollar of specie that went out of Europe to India, it follows that a dollar worth of goods, or more, went out of India to Europe. Europeans are not likely to be addicted to giving away their specie. When they do so, depend upon it they do so for a good reason—in a word, for an equivalent, or more than an equivalent. Hence no flow of capital occurred from Europe towards India, to remain there looking for employment and depressing the rate of interest among the Hindoos. On the contrary, the flow was the other way. Baron Humboldt states (1818) that, in the trade between Russia and China, the latter pay the former the differences in specie, and thus a flow of the precious metals is maintained through Siberia to Europe. In his "New Spain" (edition of 1827) he states that new facts confirmed this opinion, and added:—"It is now a generally received opinion that Great Britain has created an influx of gold and silver from the Peninsula of India into Europe." The commercial delegates who accompanied the French embassy to China, in some publications prepared with great care ("Annales du Commerce Exterieur, &c."), establish the fact that, after 1830, China *came to be a much larger exporter than importer of silver;* and they give us their estimate for 1842 that China would have that year imported one million of dollars, and exported over *eleven* millions of dollars. They add that, up to the time at which they wrote—that is to say, subsequent to 1845—the commerce in opium alone had caused an exportation of silver from China to the amount of about twenty millions of dollars.

We close our evidence of facts, on this point, (all of which is taken from Chevalier's book,) by quoting Chevalier's opinion. "It must be borne in mind that the magnitude of the amount of silver absorbed annually by Asia *is of recent date;* it is an unforseen phenomenon which has abruptly presented itself, and we could not conscientiously take it for a fact definitely and unchangeably established; it would be exposing ourself too much to the risk of deception to assume that the present will be the rule of the future. If asked for an opinion I should decidedly withhold it."

Capital, therefore, is sure to flow from barbarous towards civilized countries, evidently to avail itself of the better protection and safety afforded by the laws of the latter. Therefore, our synthesis of facts is this: Safety and security invite accumulations of capital; accumulations of capital, when greater than the demand for capital, lower the rate of interest, and, *vice versa*, raise it; therefore, wherever the greatest amount of safety and security, in other words, civilization, prevails, there will the rate of interest be lowest. Contrariwise, wherever the rate of interest is lowest, the state of civilization is highest. Therefore, the rate of interest in this country, as in all other countries, results from its comparative civilization, from the

comparative state of safety and security to capital, (not to money alone, but to all kinds of capital,) which its laws afford. If this be the case, then, it cannot be raised or lowered by mandate, and can only be affected permanently by war or injustice on the one side, or by peace and justice on the other.

That is what fixes the rate of interest. If all countries are at peace, and their laws are just, then the rate of interest will be lowest wherever those laws are best administered and strictly executed. The truth of the principle is found by facts. The lowest rates of interest usually prevailing are in England and France; the next lowest in the free cities of Germany, and in the seaports of the United States. England and France have more perfect systems of laws than any other countries in the world; and what is more, their laws are fairly and vigorously executed. The creditor cannot be easily swindled; nor can the debtor easily escape payment. Neither can money easily purchase immunity from punishment. Next, in this scale of excellence, come the free towns of Germany and the seaports of the United States. Next follow the various civilized States of Europe and America. The farther from civilization, the higher the rate of interest; because interest includes the rate of risk as well as the wages of labor, and this risk increases as the great centres of progress are left behind.

In times of war the rate of interest increases, and capital flows away to more peaceful countries. In times of peace capital flows back, and the rate falls. Applying these deductions to our own affairs, it seems imminent that two or three years hence, when that flow of capital, which is now occurring towards our country, shall have become of greater amount than we can find ready employment for, as undoubtedly it ultimately will, the rate of interest must fall. Then the government will be able to fund its debt at a lower rate of interest, say at three or four per cent, and then for the first time a real step will have been accomplished towards decreasing our national burden. Meanwhile, everything that we can do by an efficient and just administration of the law, towards increasing the safety and security of capital, will be so much towards hastening the time. And herein we perceive, as in all other matters, that "what is right is most politic."

STATISTICAL INFORMATION—ITS USES AND IMPORTANCE.

The collecting of statistics in relation to the population and resources, the expenditures and available forces of a country, is essential to the successful management of its affairs. No sagacious statesman will enter upon the administration of government except he shall have informed himself upon those subjects which are so vital to the national existence. Such knowledge is indispensable to his success as well as to the prosperity of the State. Hence all civilized countries provide for stated enumerations of the inhabitants, returns of property, statistics of production and income, and such other facts as pertain to the science of government. In these collections of facts are to be found the sure tests for the various theories of political science in relation to the production of wealth, its distribution and consumption, the protective policy, etc., so generally the veriest webs of entertaining romance.

Current statistical information on an extended scale is also necessary to the people, to enable them to understand the true objects of legislation, as well as to the legislator who desires to promote the best interests of the whole body politic. They should be acquainted with the relative importance of every branch of agricultural production, the value of each department of commercial enterprise, and the results of the several manufacturing employments. Each source of revenue, also every object of expenditure, should be known to the great body of an intelligent population.

Individuals engaged in extensive enterprises may derive invaluable knowledge from collections of statistics. The data thus obtained are essential to the successful employment and direction of capital and industry. Already several of our large manufacturers' associations have begun to act upon this principle. The iron manufacturers have taken the initiative, and employed competent persons to visit every furnace in the United States and collect from the books and ledgers the important facts recorded on the subject of the business. The National Association of Woolen Manufacturers are doing the same thing in relation to their pursuits. Those who are engaged in the other departments of productive industry could do the same thing with advantage. Agriculturists are almost always careless and inaccurate in the accounts of their crops and the cost of producing them. Manufacturers come far short of reliable data; yet the success of their business depends in a great degree upon their knowledge of these details, which they ought to have collected. If the leading members of each department of industry would provide for the obtaining of all available information in relation to their business, they would become possessed of statistics which would prove of the greatest use.

In those countries where such enumerations have been made, taxation and the benefits of government are divided more equitably, because the rights of every class are better known and are respected accordingly. The confidence of the people is heightened in the management of public business, from having the facts within reach upon which the policy of administration is based. Social improvement is proportionably more rapid. This may appear fanciful at first view; but a little consideration will be sufficient to demonstrate the fact. For example, items of a personal nature appear to be lost in the general aggregation; the individual is taken out of sight, and apparently is of little importance. People marry as if by chance, at various ages, and in different conditions of life; the birth of children seems to be directed by no law regulating number and sex; death is apparently a matter of chance as to time or cause; and even the acquisition of wealth has little evident relation to the industry, skill and economy employed. Yet these facts when properly arranged reveal conditions of the greatest importance. They show the existence of definite laws regulating the whole matter, which cannot be wisely or safely disregarded. Thus, much that would otherwise appear arbitrary in legislation is proven to be proper and necessary. Whenever food and the other necessaries of life have an inordinate price, out of due proportion to the compensation of labor, there will be an undue number of unmarried persons of adult age; and that circumstance is always sure to be accompanied by a deterioration

in morals, involving the greatest peril to society. An extraordinary mortality of children, demonstrates the existence of a state of things, socially and otherwise, of extreme peril to the community, threatening utter extinction. A large number of widows and orphan children is a sure indication of war or pestilence, and demands the early attention of the statesman.

European theorists have conjectured that the climate of the Western Continent was not favorable to the white races, and adduce the meagerness of figure peculiar to the American, and the comparative fewness of children in families, as evidence in support of their opinion. It is the province of the statistician to disprove or demonstrate the correctness of this opinion. We believe that it cannot be sustained. There are atmospheric causes existing for the leanness and apparent old age of our native population, and it may be shown that these symptoms do not indicate exhausted vitality. But the matter, nevertheless, requires further investigation.

The Metropolitan Board of Health recently created pursuant to act of Legislature, we are gratified to perceive, is devoting attention to this subject. It has been a favorite assertion of many persons, that the standard of vitality in New York is below that of other cities. We have repeatedly examined the weekly reports of Doctor Cyras Ramsay, for many years the Registrar in the office of the City Inspector; and were convinced from them that this assertion was an exaggeration. The mortality, year by year, was about twenty-five thousand; the aggregate population, according to the census of 1860, being 813,000. The enumeration of 1865, to be sure, reduces this number to 726,000, but nobody believes these figures to be correct. This would make the average mortality one in twenty-nine, or about thirty-four in a thousand. The present Registrar, Doctor Elisha Harris, estimates the annual death-rate at 30 in 1,000 per year. Few cities, we believe, can exhibit a fairer record than New York and it may be questioned whether the rural counties, if accurate statistics should be obtained, would show so favorable a return.

We hope that the utmost care will be taken in this matter of vital statistics. It has been impossible to obtain any proximate account of births and marriages, owing to the imperfect execution of the law and the refusal of clergymen and physicians to obey it. The Board of Health, with that vigilance so characteristic of newly created officers, should set this matter right. Upon the facts thus to be ascertained depends the future greatness of this metropolis. If New York is but a placeto die in, it will eventually share the fate of Tyre and Nineveh.

Another matter of importance, which we do not remember to have seen required, is the proportion of inhabitants living in their own houses. In this particular, New York is deplorably bad, and fast becoming worse. Human existence is made up of incentives to activity; and fearful deterioration, vital and moral, will take place where these are not abundant. The home circle affords them. The effort to acquire the means for maintaining and educating a family develops wealth and binds society together as no other agencies can. Men will fight for their homes and social institutions; whereas slaves and the denizens of boarding-houses have no such incentive. Homes are worth peril and sacrifice; but to a country of boarding-houses permanent prosperity is impossible.

THE NATIONAL BANK FAILURE AT WASHINGTON.

It is one of the gratifying features of our financial operations during the last five years, that although such vast sums of money have passed through the hands of government officials and agents, there have been so few instances of embezzlement or peculation. When exceptional instances do occur of attempted fraud or collusion it is therefore a high public duty to make of all who are implicated in them an example which will show that breach of trust, and tampering with public funds is one of the most ignominious of crimes.

The opprobrious circumstances which attended the collapse of the Merchants' National Bank at Washington are partly detailed in the preliminary report which has been issued of the official examination of the books of the bank by order of Mr. Clarke, the Comptroller of the Currency. If we are not misinformed, however, the truth is not all known as yet and further surprising disclosures will shortly be made. One of the most noteworthy circumstances connected with this failure is the small extent to which the customers of the bank are sufferers. On the first of January last the deposits of private persons were officially reported at $602,309. Had the bank failed, then the loss of individual depositors would have been very heavy. From some causes, which require explanation however, these private deposits, on the day of the failure, were reduced to $38,610. In other words, more than half a million of dollars appears to have been paid to preferred creditors a short time before the crash. Now, from this point of view it is a singular coincidence that the government deposits between 1st January and the failure increased from $94,225 to $762,312, and a more remarkable circumstance still is that over a quarter of a million of government money was placed in the bank within a fortnight of the closing of its doors by complete insolvency.

It has for a long time been no secret, that the Merchants National Bank did not enjoy the high credit which should be indispensable to every bank which is permitted to enjoy the prestige of being a depository of public money. The United States Treasurer, Mr. Spinner, it has accordingly been in some quarters supposed, must have known something of the loss of credit of the bank. It is certain that he has acted with commendable caution in drawing down his deposits. On this subject, Mr. Spinner, in a letter to an evening paper, makes the following statement:

"Now the facts are, that there was standing to the credit of the Treasurer of the United States only $3,858 83. On the day of the failure the bank issued a certificate that $1,155 31 was deposited on account of its semi-annual duty, and on the same day General Robinson directed the bank *to pass from his credit to that of the Treasurer of the United States the sum of* $51,258 93. No money passed in either of these last two transactions, and both were made when it was knownthat the bank had failed. So far as the Treasurer's account was concerned, there was and is now standing legitimately to his credit *less than four thousand dollars*, while he holds in his hands securities, exclusive of what will be required to redeem the entire circulation of the bank, that would on a sale to-day exceed *one hundred and thirty thousand dollars*. The truth is, that but for the disobedience of orders of a military officer, and the indiscretion of two officers in the Treasury Department—of neither of which the Treasurer had knowledge—no harm could by any possibility have come to the government."

Under the 45th section of the National Banking law, it is the right of

Mr. Freeman Clarke, as Comptroller of the Currency, to order, with the approval of the Secretary of the Treasury, an official examination of the affairs of any national bank. That in the case of the Merchants' National Bank, this examination should have been deferred until after the failure is on every account to be greatly regretted. By falsifying its returns, or by some other contrivances, a disingenuous shaky bank might deceive everybody in the office of the Comptroller of the Currency; but it could scarcely deceive many watchful officers in other bureaus of the Treasury Department. Several disbursing officers at any rate must have been in the secret. Now, it is the obvious duty of these subordinates to report to their chief, the Secretary of the Treasury, any and every case of irregularity on the part of the depositories of public money. If there be no regulation requiring this, such a rule should be made without delay. For how otherwise can it be known by Mr. McCulloch what banks require looking after, and what public depositories should have their deposits of government money reduced or removed.

How long ago certain disbursing officers have been aware of the dangerous position of the bank we are not told, but there is every reason to believe that the meeting of the 20th April, at which the official examiner says that Lieut.-Col. E. E. Paulding, Paymaster, United States Army, was present was the last of a series of anxious consultations of the "friends of the bank." After this meeting, when the insolvent condition of the bank was well known, Col. Paulding, instead of taking measures to draw out the $300,000 of Government funds which he had deposited there, proceeded next day to place $200,000 more in the bank, two other dishonest officers of the Government adding $43,000 more.

Notwithstanding this evidence of fraudulent and concerted purpose we do not hear that any of the parties to the crime have as yet been arrested with the exception of Col. Paulding himself who will probably be tried by court martial. The preliminary inquiries are, indeed, still going on, and some of the features of this disgraceful affair may assume a different color as more light is shed upon them. In view of this investigation we have only to ask on the part of the public that the fullest publicity be given to the facts, and the severest punishment to the men who shall be found guilty of contriving and conniving at so heinous a crime.

Among the subordinate points on which the public desire information is the almost unlimited command which Paulding seems to have had of Government money. We have every reason to believe that our paymasters and other disbursing officers have, with very few exceptions, proved themselves worthy of the highest trust; but we must object in the most positive and emphatic manner to the allowing of Government funds to lie in the hands of any pay officer longer than is absolutely necessary. His office is to disburse and not to hold the public money. His bonds are fixed at a rate which indicates that he is never to hold more than a very limited amount and for a very limited time. Our disbursing officers must be made to understand that the money entrusted to them must be placed, with the least possible delay, in the hands of the creditors of the Government. So far, however, have we diverged from this right and safe rule, that Paymaster Paulding can accommodate his friends with a loan of half a million of dollars, and certain banks, it is reported, are accustomed to offer inducements of a pecuniary character to disburs-

ing officers to place Government funds on deposit with them. Any paymaster who receives any such gratuities, whether as interest or in any other form, should be instantly disgraced and dismissed the service. It is worthy of note that no less than sixteen officials in various bureaus had money deposited in the Merchants' National Bank. As its capital was $300,000, the stockholders will, of course, be responsible for the debts of the bank under the stockholders' liability clause of the national banking law.

The currency now outstanding amounts to $179,810. It is supposed by some persons that as the Government will redeem broken bank notes from the proceeds of the bonds deposited at Washington for that purpose, these notes will pass as freely now as before the bank stopped payment. This is a mistake. The notes of a broken national bank are no longer legal tender from or to the Government. They will be eventually paid by the Treasury, and destroyed. But the law does not provide that they shall be paid except after such a day as may be fixed for that purpose.

THE ENGLISH BUDGET.

We now, as a people, necessarily feel increased interest in any facts which may shed light on the great subject of taxation. How a government may raise sufficient revenue without crippling the industries of the nation, is, with us, the absorbing question of the day. The experience of Great Britain becomes therefore of especial value and the following summary of the recent financial statement of the Chancellor of the Exchequer, as embodying some of the results of that experience will be studied with more than usual interest.

The expenditure as originally estimated was £66,139,000, and as finally sanctioned, by the Appropriation Act, £66,147,000. The actual expenditure was £65,914,000, or less than the estimate by the sum of £233,000. If, however, the cost of the fortifications, which amounted to £50,000, was deducted, the gross expenditure would be £65,474,000, or, making allowance for sundry repayments to Exchequer, £65,424,000. Making a comparison with previous years, and taking the expenditure of the year 1859 '60, he found that it was £69,761,000, but that included a large sum on account of the annuities which expired in 1860; that sum was £12,149,000, but new annuities had since been created to the amount of £710,000; showing payment in that year of £1,439,000 towards the extinction of the debt which appeared in no succeeding years. The real expenditure, therefore, of that year was £68,323,000, compared with which the expenditure of the year 1865 66 showed a decrease of £2,900,000. That year was a most important year as regards expenditure, for the expenditure of the year before was only £63,225,000, showing an increase of expenditure in the year 1865-66 of £2,200,000. The expenditure was thus apportioned, amongst the four great charges, the debt cost £26,223,000 or 43 per cent.; the naval and military charges £24,829,000 or 40 per cent.; the Civil, Government Consolidated Fund and Miscellaneous estimates £10,250,000; the collection of the revenue £4,600,000; or taken together, 17 per cent. Comparing the revenue of last year with the expenditure, the latter, according to the exchequer accounts, was £65,914,000; the revenue, £67,812,000; showing a surplus of revenue

over expenditure of £1,898,000. But if the cost of the fortifications was included, the surplus would be reduced to £1,336,000.

This gross revenue of the year just expired was as above, £67,812,000; whilst the estimated revenue, according to his calculations in the financial statement of last year was £66,392,000. This surplus it would be found, was pretty well divided generally through all the branches of the revenue. He had estimated the decrease of the revenue at £4,028,000, but it had only been £2,386,000, the revenue having grown by the sum of one and three-quarter millions. The actual loss on tea had been singularly near the estimated loss, the estimate having been £1,868,000, while the actual loss was £1,871,000. On the income tax the loss had been £1,568,000, instead of £1,600,000 as estimated. The tax itself had rapidly grown in its productiveness. When first imposed each penny produced £700,000, but it now produced £1,400,000. With regard to the fire insurance duty, the change made last year had only been in operation actually for six months, and therefore they had only six months' experience. The result, however, was that the expectations of increase in the revenue from largely increased insurance had not been realised. He had estimated the increase as high as ten per cent., in deference to the opinions of others, and that estimate had not been realised. The loss to the revenue, which was estimated at £260,000, had really been £272,000. The property insured was £580,000,000 in value prior to the change. It had increased to upwards of £600,000,000, the increase having been at the rate of 8 per cent.; but it must be borne in mind that a large portion of the increase was due to the increased wealth of the country. The tax was one which ought to be regarded as a tax upon property, and if there was any remission it ought to be specially provided for by other taxes upon property. The malt-tax had increased in productiveness from £5,800,000 to £6,410,000, and the revenue derived from the spirit duties had produced £13,959,000, which was the largest sum ever raised in any country by means of an indirect tax. The Exchequer balances had been reduced in consequence of the application of an unusual amount to the liquidation of debt from £7,691,000 to £5,851,000.

The estimated expenditure for the year was as follows:—Funded and unfunded debt £26,140,000; consolidated fund, £1,880,000; army, £14,095,000; navy, £10,400,000; collection of revenue, £5,003,000: packet service, £821,000; miscellaneous, £7,866,000; total, £66,205,000.

The total estimated expenditure last year was £66,147,000, so that there had been a small increase of the actual over the estimated expenditure. The estimated revenue was as follows:—Customs, £21,400,000: Excise, £19,750,000; stamps, £9,450,000; assessed taxes, £3,409,000; income tax, £5 700,000; Post-office, £4,450,000; Crown lands, £325,000; and miscellaneous, £3,100,000; total, £67,575,000, the estimated charge being £66,225,000. The probable surplus of income over charge was £1,350,000. Of late years our policy had been specially one of free trade, and the beneficial effects of that policy had been exhibited by the commercial treaty with France. The effect in France was; that whereas in 1860 she exported cotton, linen, and woollen goods, and yarns, to the value of 327,000,000 francs, they had increased in 1864 to 517,000,000 francs. The exports of England had increased, if possible, in a still more remarkable degree, having been £58,500,000 in 1859, and £114,000,000

in 1864. This increase had been owing since the treaty with France, to the energy of the departments of the Government, and the able assistants they had employed. Austria the stronghold of the productive system, had now abandoned her ground, and we owed that result to the Chamber of Commerce, in the North-east of England—Mr. Maiet, Mr. Somerset Beaumont, and Sir William Hutt. The upshot of the Austrian treaty on the Austrian side was this—that if the French standard was adopted, the Customs duties in Austria after an early date were not to exceed 25 per cent *ad valorem* on any description of British goods.

He proposed to repeal the duty on timber, and equalise the duty on wine in bottles to the duty on wine in wood; the duty on timber was as bad as it could be. It was a protective duty, and a duty on raw material of which the country stood in great want. It was an article of great bulk, of which we required large quantities, and to levy a duty upon it was the quintessence of folly. In 1814, 417,000 loads were imported, in 1841 829,000 loads. The duty was then reduced, and in 1843 the consumption rose to 1,298,000 loads. In 1850 it was 1,723,000 loads, and, further reductions having been made, the imports increased in 1859 to 2,408,000 loads, and was now upwards of 3,000,000 loads. The whole revenue from timber for the entire year was £800,000; from various descriptions of wooden goods, £7,000; from a duty laid on wood when manufactured into ships, the whole of that he should reckon as loss, because he proposed that the repeal should date back from the 1st of April, 1866. As to wine when imported in wood the charge of it was, above the alcoholic strength of 26 degrees, 1s 6d a gallon, and 1s a gallon if under that strength. They were now able to work the system of tests with great facility, and, therefore, able most cordially to yield to the remonstrances of the Austrian and also of the French Governments that there were many classes of wines, some of them of very high quality, which could be better imported in the bottle than in the wood. This change would further reduce the surplus by £58,000. There were two more changes which he proposed to reduce the duty on pepper. It was a duty very difficult to collect, and had often stood for abolition. It was a condiment largely consumed, especially in Ireland. It was chiefly consumed by those who largely used vegetable food, and not by the higher classes, and it was also frightfully adulterated, which was a peculiar English bill, for he doubted if there was any country in the world in which adulteration was practised to the same extent. The duty on pepper last year was £124,000, and allowing for the month which had elapsed and the abolition of this duty, which would take a further sum from the surplus of £112,000.

He next proposed to apportion the duties from locomotion. They were of two classes—locomotion from necessity, and locomotion for pleasure. The revenue last year from locomotion was not less than £1,000,000, including that portion of the assessed taxes derivable from carriages, horses and the servants who attend on them. With these duties, and the tax on railway passengers, he did not propose to interfere at all, but the tax on post horses, post carriages, and public conveyances bore most heavily on a large portion of the community, and the poorer classses especially in the towns, as interfering with the conveyance to and from tee rural railway stations. It also effected the convenience of all classes. He would take the case of omnibuses and other public conveyances, and

he found that the duty was 11 per cent. on the gross receipts, not on the profits only. He pointed out how obnoxious the tax was, and how severely it pressed on the sinews and labor of industry. He proposed to leave the licenses on public conveyances as they were at present, until he was able to submit a thorough and searching solution of the question, but he should propose to reduce the mileage duty from 1d to ½d. He should be glad to abolish it, but that could not be done as those omnibuses ran in opposition to the railways, and especially to the local traffic in the suburbs of the large towns, and their passenger traffic was taxed five per cent. The duty now brought in £130,000 per annum, and it could not be reduced till July, for that could only be done by an Act of Parliament, and not by a resolution of the house. The annual loss would be £90,000 but only £60,000 would take effect this year. He had not proposed to interfere with the post horse licenses, or the hackney licenses in London, which were in a peculiar position, but he would remodel the present scale, which bore heavily on small owners, and would place the license for the carriage at £5, with certain intermediate steps up to the £30 charge. This would occasion an annual loss of £20,000, but of which only £16,000 would take effect this year. He had now disposed of £516,000 out of the surplus of £1,350,000. He should submit resolutions continuing the income tax and the tea duties at their present rate.

He then proceeded to show the steps which had been taken to reduce the debt during the last year, which, including stock purchased, Exchequer Bills, and Bills redeemed, and terminable annuities granted, amounted to £5,179,000. In the unfunded debt a great change was taking place owing to the prevailing high rates of interest, and under these circumstances it was impossible to keep the two branches of debt of which it chiefly consisted afloat without raising the rate of interest. It was, therefore, better to absorb them. The unfunded debt, which in 1859 was £18,267,000 was now £8,267,000, of which two-thirds consisted of Exchequer Bills, and one third of Exchequer Bonds. With respect to the very serious subject of the national debt, he hoped he need not apologize for calling attention to it. He was convinced, from a long experience of the financial department, that the time was come when it was their duty to pay more attention to the state, movement and prospects of the national debt. They have now almost completed their course of commercial legislation, and it would have been almost impossible to have attempted to reduce the national debt whilst this process was going on. There were still taxes which it was desirable to abolish or modify, but their case was not so pressing as to call them away from the duty of seriously considering the state of the public debt. He pointed out the effect of a high rate of interest in reducing the capital of the national debt, and said that next year there would be another falling off of terminable annuities, which would render the consideration of this subject more suitable. He, therefore, quite agreed with Mr. Mill in his observations on this question, and regretted that severe indisposition prevented him from now being present, for he had discharged a great public duty in calling attention to this matter. The national debt at the close of the great war was £902,264,000, exclusive of the sinking fund. In 1830 it was reduced to £842,000,000, and in 1840 to 837,000,000*l.* Up to this time a great deal had been done to reduce the debt, but very little to liberate the industry of the country;

but that process was just then commencing, the debt stood at its lowest up to that time in January, 1854,, when it was 800,515,000; then came the Russian war, and in 1857 the debt had risen to 834,000,000*l*; in 1859 it had been again reduced to 323,000,000*l*.; and now, in 1866, it stood at 798,000,000*l*.

One of the most extradinary features of the present age was the increase of the national debt of every great Power, and it would be interesting to compare them with our own. He would take that of America, and showed that its pressure was greater than our own, although the aggregate amount might be less, and that the annual charge could not be less than 35,000,000*l*. sterling; but he believed that so great were the resources of that country, that if it showed the same energy and determination as it had done during the war, that debt, although not quite a flea bite, as our own once was called, would be reduced to a small limit within the present generation. The revenue of the United States was now 90,000,000*l*, of money, the largest sum ever raised by taxation by any nation in one year, for the purposes of the Central Government, and it had been stealthily growing of late years, and, with the exception of Holland, most of the debts had been contracted within the past half century in a time of peace. The debt of Prussia stood at 43,000,000*l*., Holland 85,000,000*l*., Russia 279,000,000*l*., Austria 316,000,000*l*., France 400,000,000*l*., Italy 152,000,000*l*., Spain 145,000,000*l*., Portugal 33,000,000*l*., and Turkey 51,000,000*l*. The gross amount was upwards of 1,500,000,000*l*; and all this had been created in a time of peace. In six out of the nine countries the debt had been increased at a rate of no less than 61,000,000*l*. sterling per annum. The result was just the same as if, with a good harvest, the country consumed the whole of it and half of another harvest besides. If peace were preserved for the rest of the century, and these debts continued at the present rate of increase, they would amount in the year 1900 to 4,000,000,000*l*. sterling per annum. These were portentous circumstances. It was not merely the money engagement, but the enormous political and social difficulty which was gradually being stored up by this most improvident course. There was nothing so insidious as financial difficulty. It approached first with smiles and caresses, and was like the young cub of the lioness taken into the house of the hunter, fawning gpon its children when young but spreading destruction around when it arrived at its full maturity. We lived now in a commercial era, and, looking at its social aspects, it was almost impossible adequately to appreciate their magnitude and prospects. From five years to five years the rate of increase was continually shifting, and always shifting upwards. The liberation of industry, the progress of invention, the steady investigations of science, the improvement of social habits—all these things were combined together, and the joint result was to bring us to the conclusion that in the days of our childhood, when we thought the commerce of England was a wonderful thing and had no idea that it was going to undergo a development to a transformation; it was in point of fact, nothing but in its infancy. Our population had increased 25 per cent., but the commerce had multiplied in a much greater ratio.

The great agents of production were three—first of all, land and fixed capital; secondly, moveable and transferable capital; and lastly, labor. The commerce of the United Kingdom, with its 30,000,000 of population

was as great as that of France and America with their 70,000,000 of population. We had great natural advantages from our accumulated capital and our geographical position, but the great cause of our pre-eminence was to be found in our possession of mineral treasures, and especially of coal, which we possessed under such circumstances that they were able to raise it to the surface at a very small cost. but the rate of the increase of our production and consumption of coal had now become such that the minds of the greatest among our scientific men had been turned to the question what the influence upon the supply would be if the present rate of increase continued. It was of no use to say that a substitute for coal would be found. If it was found it could not be peculiar to England, and in the end we must lose our pre-eminence in this respect. Every year on the average the consumption of coal was 3.7 per cent greater than it was the previous year, and taken at 3½ per cent only would give an annual consumption of 2,640,000 tons in 100 years, a much larger quantity than was known to exist in the country. He quoted these facts from the work of Mr. Stanley Jevons: but other authorities—Sir W. Amstrong, Dr. Percy, and Sir Roderick Murchison—had arrived at the same conclusion, and believed the question to be one of the greatest importance. Under these circumstances he said it behoved us to make some provision for diminishing the national debt, so that we should not leave our encumbrances on our successors.

There were two modes in which we could make provision for extinguishing the national debt—first, by application of the surpluses of income over expenditure; second, by the conversion of perpetual into terminable annuities. What he proposed was this—that the £24,000,000 standing in the State deposit account in connection with the savings' banks should be converted into annuities of 1895. That conversion would raise the charge from £720,000 to £1,725,000, or in round numbers would increase the charge by a million of money annually; but by payment of certain dividends the total charge for 1865-7 would be £1,222,000, imposing an additional burden of £503,000. He further proposed that so much of the dividends of the annuities as were not required to meet the demands upon the Government should be reinvested from year to year. He assumed that there would be a sum of *l*50,000 to reinvest, and upon that supposition the result would be thus—the annual charge, which began at *l*419,000, would gradually mount up until it reached in 1885 *l*1,444,000, and the amount of public debt cancelled by that time would be *l*50,000,000 a year. In conclusion the right hon. gentleman said the amount of the surplus was *l*1,350,000; the remissions would be, on wood *l*307,000, wine *l*58,000, on pepper *l*112,000, post horses and stage carriages *l*85,000—making together *l*562,000; the conversion of debt, *l*502,000; making the total *l*1,064,000, and leaving a surplus of *l*286,000. In the following year there would be a further charge in respect of our commercial changes of *l*48,000, and an additional sum for the reduction of debt, the joint result of which would be that the next year would be burdened to the extent of about a quarter of a million.

DEBT AND FINANCES OF GEORGIA.

The amount of bonds issued previous to the war by the State of Georgia and outstanding March, 1866, including unpaid coupons, was $3,374,200. These are accounted for in the following abstract:

Due	Issued for	5 per cent.	6 per cent.	7 per cent.	Total.
1879..	Central Bank	$....	$....	$6,000	$6,000
1861 ..	" "	....	....	10,000	10,000
1862..	Western & Atlantic R. R.	....	18,000	48,000	66,000
1863..	" " "	....	40,500	....	40,500
"	Central Bank	....	....	53,500	53,500
1864..	"	....	....	40,000	40,000
1865..	Western & Atlantic R. R.	....	18,000	....	18,000
Past due		....	76,500	157,500	234,000
1868..	Western & Atlantic R. R.	$....	$176,500	$....	$176,500
1869..	" " " (ster'l'g)	72,000	262,500	....	334,500
1870..	" " " "	....	134,500	....	134,500
1871..	" " " "	....	153,750	....	153,750
1872..	" " " "	....	623,500	100,000	723,500
1873..	" " " "	....	169,500	....	169,500
1874..	" " " "	....	75,000	176,500	251,500
1878..	Atlantic & Gulf R. R.	....	100,000	....	100,000
1879..	" "	....	200,000	....	200,000
1880..	" "	....	200,000	....	200,000
1881..	" "	....	100,000	....	100,000
Not yet due		72,000	2,195,250	276,500	2,543,750
Total outstanding		72,000	2,271,750	434,000	2,777,750
Coupons due to March, 1866					596,550
Total funded debt March, 1866					$3,374,200

From the above statement it appears that the principal sum of $234,000 was in March last past due, and that there was also due for coupons not paid the further sum of $596,550, making together an aggregate requiring immediate legislation of $830,550, For the payment of this over-due money provision was made in the eighth section of an act passed by the General Assembly of the State and approved by the Governor, March 12, 1866. The act referred to also authorizes theissue of $1,500,000 to meet appropriations made and to be made, and for the repairs and equipment of the Western & Atlantic Railroad; and also $600,000 to pay the State's proportion of the $20,000,000 direct tax ($584,367 33) collectable by the United States under the act of Congress approved August 5, 1861.

Including the above and the u delivered bonds to be paid to the Atlantic & Gulf Railroad for the State's subscription to the stock thereof under the act of 1858, the funded debt of the State when all is paid up and settled will stand as follows:

Bonds outstanding and not yet due		$2,543,750
" " due and not to be paid with other bonds		234,000
Coupons due and to be paid with bonds		596,550
Bonds to Atl. & Gulf R. R. per act of 1858	$700,000	
Bonds to West'n & Atl. R. R. per act Mar. 12, 1866, sec. 1	1,500,000	
Bonds to U. S. per act Mar. 12, 1866, sec. 7	600,000	2,800,000
Total outstanding and appropriated		$6,174,300

The immediate resources of the State, beyond the taxable value of real and personal property, are as follows:

Western and Atlantic Railroad, from Atlanta to Chattanooga, about 137 miles, constructed and owned exclusively by the State (first appropriation made in 1836, and last in 1854)	$4,441,532
Atlantic and Gulf Railroad, in which the State owns 7,000 shares, all paid in	700,000
	$5,141,532

And to this should be added 2,209 shares of $100 each, in bank stockand some minor items, the actual value of which cannot yet be determined.

The railroad property is all valuable. The Western and Atlantic Railroad for several years before 1863 paid into the State Treasury, as net earnings, about 10 per cent on the original investment, and is rapidly increasing in productiveness. The Atlantic and Gulf Railroad is not yet completed; it is now open to Thomasville, and will be finished to the Chattahoochee in a comparatively short period. This road is in the direct line from the Atlantic at Savannah and Brunswick, and will connect at the Western State line with the Florida lines to Pensacola, Mobile, and New Orleans.

The valuation of the State (exclusive of slave property) returned for taxation in 1860 was $369,627,722; in 1864 it was $850,486,812, expressed in confederate currency. The probable valuation now is$850 000,000. As a matter of record, we here give in detail the returned valuations of the years covering the late war, the tax being collectable in the next ensuing year:

Taxable property.	1860. $	1861. $	1862. $	1863. $	1864. $
Land	161,764,955	161,694,944	150,940,628	156,713,858	283,630,530
City and town prop	35,139,415	35,510,699	34,010,410	51,756,808	94,388,287
Money & solv'nt debts	107,336,258	112,361,877	108,432,833	112,230,383	137,694,173
Merchandise	15,577,193	12,730,623	6,246,390	53,578,729	99,565,693
Shipping & tonnage	943,940	902,570	166,300	675,600	2,937,315
Stocks, manuft's, &c	4,084,252	4,850,102	4,805,407	16,276,004	23,330,485
H'nsch'd & kitc'n fur	2,374,284	2,215,646	2,327,307	4,194,999	14,417,689
Other not enumerat'd	42,427,295	41,604,747	41,485,533	66,140,352	194,612,549
	$369,727,922	371,788,508	347,850,229	460,560,713	850,486,812
Slaves	302,694,855	272,015,490	230,502,040	379,480,414	762,105,994
Total value	672,322,777	643,803,998	578,352,269	840,041,127	1,612,592,806

The following exhibits the returns upon which the general and specific taxation is based:

Polls	99,748	101,505	91,562	52,764	89,863
Professions	2,699	2,720	1,915	640	1,361
Dentists	96	95	44	44	36
Dagurrean artists	66	62	33	33	22
Free persons of color	1,295	1,273	983	1,053	876
Acres of land	33,345,259	33,663,723	32,492,764	26,808,861	25,892,569
Slaves	450,033	460,788	473,761	498,170	433,666
Childr'n betw'n 6 & 18	....	....	....	102,125	97,472
Hands emp b'n 12 & 15	....	....	....	34,561	34,346
do 15 & 55	....	....	....	160,964	166,127
do 55 & 65	.. .	....	....	11,161	11,799
Sheep	....	....	....	.....	447,965
Sheep killed by dogs	....	....	....	.....	31,046
Dogs	....	....	....	.....	31,433

The average returned value per acre of land was: in 1860 $4:85, in 1861 $4:80, in 1862 $4:68, in 1863 $6:35, and in 1864 (in 108 of the 132 counties, 24 counties making no returns) $10:75. The returns for 1860-61, and '62 were made upon the *specie currency* basis; and the returns far 1863 and 1864 were as required by law, made upon the value in Confederate currency. The reason the item of merchandize was so much increased in 1863 and 1864 was because all cotton, except that in the hands of the original producer, was taxed under that head in those years. The receipts into the Treasury from General and Income Tax for the fiscal year 1865, collected on the lists of 1864, amounted to $14,015,225 (comf. value), and the total receipts to $14.628,603. The disbursements in that year amounted to $11,573,605, leaving in the treasury $3,054,998 or, including the balance from previous year, $5,201,086; which amount being in Confederate currency, became worthless by the result of the war.

No assessment was made in the year 1865 for the service of the next fiscal year. By a law approved March 3, 1866, however, the Governor with the assistance of the

Comptroller-General, was authorized to assess and levy such a per centage on taxable property as will produce the sum of $850,000, and in addition to this ad valorem tax certain specific taxes, viz.; on every male inhabitant between 21 and 60 years of age, $1; on professional men and artists $10; on auctioneers and billiard table keepers $25; on bagatelle table and ten-pin alley keepers, &c., $10; on race-track keepers $50; on circus companies, for each exhibition, $25; on every agent or person engaged in any gift lottery or enterprize in any county $1,000; on spirits sold by others than distillers 25 cents per gallon, &c—the taxes to be collected in United States currency. It is supposed that these specific taxes will bring in $150,000, which, with the amount raised by general tax, will supply, in the aggregate $500,000. No revenue is expected from the railroads, the whole net earnings being required for repairs and reconstruction Of the sums thus to be realized more than $200,000 will be required for interest on the debt; which will leave $200,000 for the State government and legislature, and $100,000 for educational and charitable institutions and miscellaneous purposes.

It is thus apparent that Georgio is amply able to sustain its credit before the world. Its legislature has provided adequately both for its debt and income. Before the war the character and credit of no State in the Union stood higher than that of Georgia. Her bonds commanded at least as fair a price as that of any other State, and even since the close of the war have sold at far better rates (95@100) than those of any other Southern State. This is due to her good faith, and her promptness in meeting all her obligations. The loss of her slaves may or may not have cripled individual means, but the other resources of the people are still great and increasingly productive.

The amount of the debt contracted by the State during the war, and which has been thoroughly wiped out by the acceptance of the terms offered by President Johnson, as precedent to the restoration of the State government, amounted to about $18,000,000. As a matter of history, however, a summary of the *securities* constituting the evidences of this debt it is presumed will be interesting, and on the account only it claims notice at our hand. The following we abbreviate from the Report of the Comptroller General to the Provisional Governor in October, 1865:

State Defence Bonds authorized by act of Nov. 16, 1860, (7s, due 1881)	$842,500
do do do do (6s, due 1881)	25,000
Confederate Tax Bonds, authorized by act of Dec. 11, 1861, and sold to pay the tax assessed on the State by the Confederate Congress under act of Aug. 16, 1861	2,441,000
Funded debt	$3,308,500
Treasury Notes and "Certificates of Deposit, payable in 8 per cent bonds or specie, six months after a treaty of peace, or when the banks of Savannah and Augusta resume specie payments, if before that time	3,758,000
Treasury Notes and Certificates of Deposit "payable in specie or 6 per cent bonds of the State, six months after a treaty of peace shall have been ratified between the U. S. States and the Confederate States"	4,800,000
Making the bonded debt and debt promised in specie or bonds	$11,866,500
Treasury Notes made payable in Confederate Treasury Notes "if presented within three months after maturity; otherwise not re-eemable except in payment of public dues"	5,171,500
Change Notes, made "payable only in Confederate Taeasury Notes"	997,776
Total outstanding October 16, 1865	$18,035,776

The following is a copy of the act passed by the General Assembly in relation to the debt of the State and approved by the Governor, March 12, 1866:

SECTION 1. *Be it enacted by the General Assembly of of the State Georgia*, That for the purpose of raising funds to meet appropriations made, and to be made, and for the repairs and equipment of the Western and Atlantic Railroad, his Excellency the Governor is hereby authorized to issue and negotiate bonds of this State for an aggregate amount of one and a half million of dollars—said bonds to bear interest at a rate not exceeding seven per cent per annum, payable semi-annually, at such place or places as he may choose to designate. The said bonds shall run for a period of not longer than thirty years, and may be, if the Governor so directs, redeemable

in not less than five nor longer than twenty years, at the option of the State, and known as "Five Twenties," or of such other form as he may deem most desirable.

SEC. 2. The said bonds shall be signed by his Excellency the Governor, and countersigned by the Comptroller General, and by him to be registered in a book to be kept for that purpose. If coupons are attached, then shall be signed by the Treasurer, or some one appointed by the Governor to perform that service.

SEC. 3. For the purpose of effecting the negotiation of said bonds, the Governor is authorized to employ an agent, or agents, to visit such place or places as he may direct, and to empower such agent to make the negotiation upon such terms, and with such limitations as the Governor may instruct, not inconsistent with the provisions of this Act.

SEC. 4. For the payment of the interest on said bonds, and for the creation of a sinking fund to discharge the principal of the same, there shall be annually set apart and pledged, so much of the income of the Western & Atlantic Railroad, as will amount to the annual interest, and three per cent upon the principal debt, which pledge shall be incorporated in the bonds aforesaid, and the said sinking fund shall be invested from time to time in the purchase and cancellation of said bonds, or in such securities as the Legislature may direct; but should his Excellency the Governor find it impolitic, or not desirable, to provide such sinking fund, or pledge the income of the said road, or he prefer to give other or additional security, then the Superintendent and Auditor of the Western and Atlantic Railroad shall, on request of the Governor, make and execute to three Trustees, to be appointed by him, mortgage upon said road, its appurtenances and franchises, which said mortgage shall be a lien upon the same, for the security and benefit of the bondholders, and may be enforced against said Western and Atlantic Railroad as a corporation. On failure of the State to redeem said bonds, or to pay the interest as it falls due, said Trustees shall proceed to foreclose and enforce said mortgage lien whenever requested to do so by any holder of said bonds where the same are over due, or the interest unpaid.

SEC. 5. *Be it further enacted*, That the limitation heretofore placed by an ordinance of the convention limiting the discount of certain bonds authorized by said convention to be issued, is hereby removed, and said bonds shall or may be negotiated upon like terms and conditions as the bonds authorized by this Act to be issued.

SEC. 6. *Be it further enacted*, That all laws heretofore passed appropriating the income of the Western and Atlantic Railroad for other purposes be, and the same are hereby repealed, except in such cases where the repeal of the same would operate as a violation of contract; *provided*, that nothing in this Act shall be so construed as to repeal an Act to provide for the education of the children of this State between certain ages, and to provide an annual sinking fund for the extinguishment of the public debt, assented to December 11th, 1858, but the net income appropriated by said Act shall not be paid until the interest on State bonds and the three per cent sinking fund shall be first set aside.

SEC. 7. *Be it further enacted*, That his Excellency the Governor is hereby authorized to issue and negotiate bonds to the amount of six hundred thousand dollars, at such time and rate of interest not exceeding seven per cent, as he may find necessary and proper for the purpose of paying to the Government of the United States the land tax about to be levied on the people of the State of Georgia, in behalf of the Government of the United States—said tax amounting to five hundred and eighty-four thousand three hundrd and sixty-seven dollars and thirty-three cents, and interest which may be due thereon.

SEC. 8. *Be it further enacted, &c.*, That his Excellency the Governor is hereby authorized to issue bonds in renewal of bonds now due, and interest thereon, amounting in the aggregate, principal and interest, to the sum of eight hundred and thirty thousand five hundred and fifty dollars, the bonds so issued by virtue of this section to bear the same rate of interest, to be payable at the same time, and to be covered by the same security, as the bonds authorized to be issued in the first section of this Act.

SEC. 9. All laws and parts of laws militating against this Act are hereby repealed.

Approved, March 12th, 1866.

PUBLIC DEBT OF ALABAMA.

The public debt of Alabama is thus stated by Governor Patton in his message to the Legislature, dated January 15, 1866:

Description of bonds.	Amount.	Ann'l int.	Int. due.
Five per cent coupon bonds, payable in N. Y.	$2,109,000	$105,450	$368,400
Five per cent coupon bonds, payable in Lond.	640,000	32,400	32,400
Six per cent coupon bonds, payable in Lond'n	658,000	41,280	41,280
Aggregate amount	$3,445,000	$179,130	$442,080
Interest	442,080		
Total including interest	$3,887,080		

The above is entirely apart from the domestic debt, which is held chiefly by the Common School 16th section Fund. The Comptroller, Hon. M. A. Chisholm, gives the figures as follows:

		Annual int.
Six per cents, issued to the School Fund	$1,710,008 44	$102,600 50
Eight per cents, issued to University Fund	300,000 00	24,000 00
Eight per cents, issued to Valueless 16th sec. Fund	97,091 21	7,767 30
Aggregate amount	$2,107,099 61	$134,367 80

Which interest is paid by an annual appropriation, the principal sums being considered irredeemable trust funds.

The debt contracted during the late war, and which has been repudiated under President Johnson's conditions precedent to State reconstruction, was briefly as follows:

Eight per cents, payable principal and interest at Mobile	$673,500 00
do do do do at the State Treas'y	3,171,000 00
Six per cents, do do do do do	2,085,000 00
State Treasury notes issued, without interest	4,042,680 00
do do (change bills,) without interest	3,122,551 95
Aggregate amount issued	$13,094,731 95

The last two paragraphs have been inserted simply parenthetically as matters of record. The Domestic Debt is a matter of local importance only, and the War Debt no longer exists. Our subsequent remarks will therefore be confined strictly to the debt proper, or that which is held beyond the limits of the State.

The interest on the New York series of bonds is payable semi-annually May 1 and November 1. The amount of interest to be provided annually for these bonds is $105,450. The last interest paid included that due November 1, 1861, and hence at the same date in 1865, there was due four years' interest, or $421,800. But of this amount $53,400 had already been paid to the Bank of Mobile for distribution, so that the balance due and unpaid is less by that amount, namely, $368,400.

The interest on the London bonds, which is payable semi annually January 1 and July 1, was paid up to January 1, 1865, and hence at the same date 1866, only one years interest was due and unpaid, viz., on the five per cents $32,400, and on the six per cents $41,280, or together $73,680.

In speaking of this debt the Governor remarks:

"Special provision should be made for the payment of this accumulated interest at as early a day as practicable. This is not only demanded by a principle which is just in itself, but it would incidentally tend to restore the credit of the State, and greatly strengthen the inducements for advantageous loans upon the bonds now authorized by law.

"Our bondholders in London have made a formal proposition to receive payment for the interest now due, and the dividends up to the 1st of January, 1867, in State bonds bearing the same rate of interest as those they now hold. This, under all the circumstances, is a liberal proposition, and I think it ought to be acceded to. I have no doubt that similar terms would be accepted by our New York creditors I therefore recommend that authority be given to issue bonds, in addition to those already provided for, to an amount sufficient to pay our present arrears of interest, together with that which will accrue up to the 1st of January, 1867. We may reasonably hope that by that time, our finances will be in a condition which will enable us to resume the regular semi-annual payment of our interest liabilities."

In response to the very appropriate recommendation of the Governor, an act was passed by the Legislature authorizing the funding of the past due coupons into bonds similar as to date and interest to the principal bonds. The Comptroller will furnish us with a copy of said act when printed, and we expect to be able to republish it in the CHRONICLE at an early date. In the meanwhile, we may state that negotiations are now being carried on both in London and New York, looking to the full satisfaction of the State's creditors.

It is scarcely necessary to canvass either the will or the way of the State to meet these demands. The people of Alabama have never suffered their public credit to be tarnished by even the shadow of repudiation; and as to ways andmeans the State is amply wealthy to bear such a debt as that which we are now considering. Ala-

bama, indeed, is one of the most productive cotton States of the Union, being second only to Mississippi, and in 1860 yielded one-fifth part of the aggregate crop. The State has also great wealth in its live stock, and produces largely in a variety of ways, including manufactures. Its lands are fertile and high priced. These considerations presuppose great taxable ability, and form the best basis for public credit. The assessed valuation of property in the State increased in the ten years ending June 1, 1860, no less than 117 per cent, having been in 1850 $228,204,332, and in 1860 $495,237,078. The State debt, including the interest now past due and to accrue to January 1, 1867, will not exceed much the sum of $4,000,000, requiring about $210,000 for annual interest—not more than half of one per 1,000 of the assessed valuation of the property liable to taxation. It must also be borne in mind that Alabama is a progressive State, and that every year will further divide the burden, and give increased ability to the people to bear taxation.

Seven hundred and fifty thousand (750,000) dollars a year will not only cover the whole of the State expenditures, including interest, but also afford a handsome sum towards the final liquidation and extinction of the principal of the States indebtedness

The State will also have to provide for the payment of its proportion of the United States direct tax of $20,000,000 under the law of Aug., 1861, which amounted to $529,313 33. If this sum be raised on bonds, the debt will be increased in a corresponding amount.

ANALYSES OF RAILROAD REPORTS. No. 9.

I. Michigan Southern and Northern Indiana Railroad.—II. Erie Railway.—III. Central Railroad of New Jersey.

MICHIGAN SOUTHERN AND NORTHERN INDIANA RAILROAD.

The Michigan Southern and Northern Indiana Railroad consists of a main line and several branches, as follows:

Main Line—Toledo to South street, Chicago	miles.	242.06
Branch Lines—Toledo to Elkhart (Air line)		138.30
Toledo Junction to Detroit Junction		59.12
Adrian to Monroe Junction		33.60
Lenawee Junction to Jackson		41.90
Palmyra Junction to Lenawee Junction		2.50
Owned jointly with Chicago & Rock Island Co. at Chicago		1.67
Leased of Detroit & Milwaukee R.R. Co.		3.21
Total length owned, leased and operated	miles.	517.26

—not including 53.25 miles of side track on roads owned by company, and 0.75 owned jointly with the Chicago and Rock Island Company.

EQUIPMENT—ENGINES AND CARS.

	1861-2.	1862-3.	1863-4.	'64-5.	'65-6.
Number of engines	83	83	96	97	96
Passenger cars	75	68	67	70	82
Baggage, express, etc	36	43	43	53	40
Freight cars—Caboose	..	..	..	..	25
" 12-ton stock	106	150	169	170	185
" 10-ton box	492	613	948	826	803
" 10 and 12-ton platform	208	200		259	290
" 8-ton box	150	122		80	51
Wrecking cars	2	2	3	2	3

The number of miles run by trains hauling cars in the same years were as follows:

	1861-2.	1862-3.	1863-4.	1864-5.	1865-6
Passenger trains	657 970	682,382	736,985	785,294	838,778
Freight trains	970,859	1,187,909	1,245,465	1,151,612	1,131,562
Wood and gravel trains	146,899	190,346	189,027	250,226	211,275
Total	1,775,728	2,060,637	2,171,477	2,187,124	2,181,615

PASSENGER BUSINESS.

The following table shows the number of passengers carried on the road, and the number of miles traveled by passengers:

	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
Passengers carried	337,640	394,723	576,897	831,365	915,475
Viz—Through	57,094	66,138	96,414	135,197	142,699
Way	280,546	330,585	480,483	696,168	772,776
Eastward	163,684	192,974	208,904	400,798	437,724
Westward	173,956	203,749	271,579	430,567	477,751
Miles through travel	13,962,242	16,544,660	23,690,068	33,260,246	35,105,489
Miles way travel	11,142,989	12,933,716	18,040,202	28,212,298	34,373,898
Total miles traveled	25,105,231	29,478,376	41,730,270	61,472,544	69,478,387
Gross earnings	$710,417	$892,138	$1,244,129	$1,875,061	$2,021,247
Earnings per mile .cts	2:83	2:65	2:98	2:75	2:86
Viz—Thr'gh passengers	2:10⅛	2:17	2:17	2:33	2:45
Way do	3:26	3:26	3:43	3:28	3:27

FREIGHT BUSINESS.

The freight business of the road (tons) is stated in the following table

	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
Through freight	183,139	246,632	248,905	194,669	211,144
Viz—Eastward	143,306	193,262	183,475	126,631	137,636
Westward	39,833	53,370	60,430	68,038	73,508
Way freight	269,569	296,994	315,074	332,832	358,196
Viz—Eastward	181,757	213,664	206,361	228,941	237,862
Westward	87,812	83,330	108,713	103,891	120,334
Total freight....tons	452,708	543,626	563,979	527,501	569,340
Tons carried one mile	66,455,696	85,951,630	86,103,221	77,875,578	83,044,900
Gross earnings	$1,390,513	$1,766,135	$1,961,527	$2,206,412	$2,410,933
Earnings (per ton) per mile.....cts	2:092	2:099	2:296	2:833	2:903
Viz—Through, per mile	1:516	1:536	1:825	2:202	2:051
Way, per mile	3:309	3:406	3:366	3:866	4:341

The most remarkable fact elicited by the above tables is the enormous development of the passenger traffic, which in 1865-6 was 69½ million miles traveled against 25 millions in 1861-2, showing an increase of 178 per cent. In the meantime the earnings from passengers advanced from $700,000 to upwards of $2,000,000, the average earnings per passenger per mile having retained the same rate nearly. The tons of freight carried in 1865-6 was only about 20 per cent more than in 1861-2, but the average charge per ton per mile had increased from 2.09 to 2.90 cents.

EARNINGS AND INCOME ACCOUNT.

The following statement gives a brief recapitulation of the sources and disposition of income for the five last fiscal years:

	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
Passenger earnings	$710,417	$892,138	$1,244,129	$1,875,061	$2,021,247
Freight do	1,419,498	1,804,582	2,016,857	2,242,972	2,455,403
Mail do	53,966	53,966	53,515	53,844	54,786
Express do	28,754	31,210	41,829	74,386	101,556
Rents do	23,219	18,919	17,868	17,384	19,025
Other sources	14,664	18,016	10,101	25,819	34,428
Total earnings	$2,250,518	$2,813,831	$3,384,294	$4,289,466	$4,686,445
Expenses	1,112,970	1,352,555	1,753,517	2,408,352	2,749,657
Net earnings	$1,137,548	$1,461,276	$1,630,777	$1,881,114	$1,936,788
From which were paid as follows:					
Interest on bonds	$730,162	$654,762	$856,393	$597,602	$595,480
Interest, exchange and discount	42,053	22,599	3,324	*	15,764
State and local taxes	57,962	57,680	70,996	*	78,356
National taxes	.....	15,901	38,010	*	128,635
Rent of Erie & Kal. R.R.	30,000	30,000	30,000	30,000	30,000
Contributions to Sinking Fund	85,587	278,000	115,842	120,000	133,000
Div. on Guar. stock	..	.....	259,905	218,360	166,280
Div. on Com. stock	.....	.....	...	555,328	277,664

* Not stated in report, no profit and loss account loss having been published.

All balances remaining have been expended on construction or equipment, or in settlement of claims against the company, &c. The total balance to the credit of the stockholders was, on March 1, 1866, $1,802,446.56.

The following table shows the gross earnings made on the roads and branches operated by the company separately:

The passenger earnings were as follows—

	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
Main line	$476,855	$591,460	$849,776	$1,233,974	$1,468,027
Air line	49,997	63,917	87,060	161,779	172,532
D. Mon. & Tol	66,578	76,796	125,742	198,559	212,934
Jackson Branch	25,259	27,614	33,720	52,579	53,056
Monroe & Adrian	16,185	19,085	28,955	44,536	43,144
Three Rivers Br'ch	2,878	2,099	1,975	.....	.....
Milit'y transport'n	72,665	111,166	116,901	183,845	71,554

And the freight earnings as follows—

	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
Main line	$1,102,289	$1,413,980	$1,599,132	$1,660,458	$1,841,279
Air line	157,038	192,215	195,135	291,422	268,444
D. Mon. & Tol	69,079	87,402	105,849	158,731	181,637
Jackson Branch	24,959	26,835	30,363	33,873	47,914
Monroe & Adrian	32,064	40,984	47,430	58,350	51,608
Three Rivers Br'ch	5,083	4,788	3,618	3,577	.....
Storeage	26,965	33,147	35,323	36,560	44,470

From the above it must be evident that the company does not operate the branch lines without loss, and this must be made up from the earnings of the main line to the detriment of dividends. These branches, indeed, have been the great drawback with which the company have had to contend.

ABSTRACT OF GENERAL BALANCE SHEET.

The financial condition of the company, as shown on the balance sheet yearly, at the close of the fiscal years Feb. 28, 1862–66, is set forth in the following abstract:

	1861-62.	1862-63.	1863-64.	1864-65.	1865-66.
Common stock	$6,124,600	$6,124,600	$7,536,800	$7,536,600	$9,381,800
Guaranteed stock	2,893,600	2,893,600	2,583,600	2,183,600	1,089,700
Total stock	$9,018,200	$9,018,200	10,120,400	$9,720,200	10,471,500
1st gen. mort. less held by sinking fund	3,030,000	5,073,000	4,512,000	4,822,000	4,855,000
2d do do do do do	2,572,000	2,556,500	2,194,500	2,194,500	2,253,500
Goshen Air Line bonds*	1,116,000	701,000	693,000	682,000	651,000
Jackson Branch bonds*	128,000	81,000	77,000	77,000	.....
Detroit, Monroe & Tol b'ds	684,000	812,000	734,000	734,000	734,000
Michigan Southern, 1st m.*	850,000	14,000	2,000	1,000	.....
N. Indiana, 1st mortgage*	904,000	42,000	21,000	6,000	4,000
Mich. Southern plain bo'ds†	44,000	16,000	.....	.....	.....
North. Indiana, plain b'ds†	100,000	20,000	10,000	7,000	1,000
Erie and Kalamazoo	300,000	103,000	41,000	38,000	37,000
Scrip	22,707	8,578	2,755	2,615	1,675
Total funded debt	$9,750,707	$9,527,078	$8,287,255	$8,564,115	$8,537,175
	1861-62.	1862-63.	1863-64.	1864-65.	1865-66.
Bill payable in New York	239,530	81,236	15,000	10,000	310,000
Div. & coup. unclaimed, &c	40,335	22,593	22,229	43,326	26,864
Due on guaranteed stock	.....	.....	18,295	250,078	.....
February expenses, &c	156,696	140 219	163,519	281,498	302,107
Bills payable at Toledo	12,999	1,000	5,267	25,000	25,000
Total floating debt	449,560	245,047	224,310	709,902	663,971
Aggregate	19,218,467	18,790,325	18,631,965	18,994,217	19,672,646

Against which are charged as follows, viz.:

Railroad	13,616,404	13,613,634	13,619,185	13,619,185	13,619,185
Equipment	1,644,259	1,644,259	1,644,259	1,644,259	1,644,259
Steamboats	691,978	.....	.....	.....	.....
Detroit, Monroe & Tol R R.	1,285,182	1,285,182	1,291,068	2,291,968	1,291,968

* Convertible into 1st general mortgage sinking fund bonds.
† Convertible into Detroit, Monroe and Toledo bonds.

D. M. & T. R R. stock at par	275,000	368,200	372,500	406,800	409,500
Fuel and materials on hand	197,333	206,999	288,726	670,373	547,025
Union stock lands at Chic	.....	.....	.....	33,333	150,000
Outside property	69,141	67,061	23,621	15,621	5,000
Available assets	229,873	282,402	478,985	353,182	175,686
Nominal assets	444,793	324,767	73,655	72,656	27,573
Profit and loss	765,205	997,830	839,966	886,940	1,902,446
Aggregate	19,218,467	18,790,325	18,631,965	18,994,217	19,672,646

PROPORTIONAL DEDUCTIONS.

The following table shows the cost of property per mile of road; the gross earnings, expenses, and profits per mile; the ratio of expenses to earnings per cent, and the ratio of profits to cost per cent:

	1861-62.	1862-63.	1863-64.	1864-65.	1865-66.
Cost per mile of road	$32,410	$32,584	$32,614	$32,682	$32,682
Gross earnings, per mile	4,336	5,421	6,521	8,245	9,030
Expenses, per mile	2,144	2,606	3,378	4,640	5,299
Profits, per mile	2,192	2,815	3,143	3,625	3,731
Expenses to earnings, p. cent	49.45	48.07	51.80	56.14	58.68
Profits to cost, per cent	6.77	8.63	9.64	11.08	11.41
Dividend: common stock	....	....	....	7.00	3.50
do guaranteed stock	....	....	10.00	10.00	10.00

PRICE OF STOCKS AT NEW YORK.

The following table gives the lowest and highest prices of the company's stocks at New York for each month of the past three years:

	Common.			Guaranteed.		
	1863-64.	1864-65.	1865-66.	1863-64.	1864-65.	1865-66.
March	53¼@ 61¼	98 @118¾	49¾@67	94¾@109	143 @150	....@.....
April	55½@ 67½	84¼@118¾	50¾@74¾	98 @110	127 @165	....@.....
May	67½@ 88	85¼@100¾	55 @72⅛	108¾@122⅛	130 @143	....@ ....
June	68¼@ 81	93¼@100	57 @65⅞	110¾@119	140 @143¾	125 @130½
July	73⅛@ 89¾	80¾@ 94¼	62 @68	111 @117	132 @140	....@.....
Aug	88 @113	83¼@ 93¾	60¼@67¼	113½@140	140 @149½	....@.....
Sept	77 @108¼	71 @ 85	65¾@70¾	124 @137	125½@147	130 @135½
Oct	79 @ 89¾	57 @ 71¾	68 @84½	134¾@156	132 @139	135 @135
Nov	79 @ 87¼	68¼@ 77½	71¾@82	135 @151	140 @146½	135 @138
Dec	77 @ 89	68¾@ 74¾	73¾@76½	130 @135	141 @146	140½@113½
Jan	81¾@ 90	61 @ 75	66¾@75½	132½@140	135 @145¼	....@.....
Feb	88¾@ 99	63¾@ 73	66¾@71⅞	133 @142½	135 @140	....@.....
Year	53¾@113	57 @118¾	49¾@84¼	94¼@156	125½@165	125 @143¾

The history of the Michigan Southern and Northern Indiana Railroads appears in the November (1865) number of the MAGAZINE, and to this the reader is referred for other matters relating to the company.

ERIE RAILWAY.

The Erie Railway (successors to the New York and Erie Railroad) Company commenced business operations on the 1st January, 1862. The following tabulations present an analysis of the company's affairs annually from that date.

ROAD AND EQUIPMENT.

The several lines owned by the company are as follows:

	Close of year.			
	1862.	1863.	1864.	1865.
Main Line—Jersey City to Dunkirk miles	460	460	460	460
Branch—Ramapo to Piermont	18	18	18	18
" Chesterville to Newburg	19	19	19	19
" Hornellsville to Attica	60	60	60	60
Total length owned by company	557	557	557	557
Second track	190	190	191½	205
Sidings	122	131	145	157
Total equiv. single track owned miles	859	878	893½	919

The branch roads leased and operated by the Erie Company in each year have been as shown below:

	1862.	1863.	1864.	1865.
Chemung—Elmira Junct. to Jefferson.....miles	18	18	18	18
Canandaigua & Elmira—Jefferson to Can'gua.....	48	48	48	48
Buffalo Division—Corning to Buffalo.....	..	140	140	140
Rochester Division—Avon to Rochester...	..	18	18	18
Hawley Branch—Lackawaxen to Hawley.....	..	..	16	16
Total length leased and operated.. .....miles	66	224	240	240
Second track and sidings....	5	19	19	21
Total equivalent single track leased.....	71	243	259	261

The Warwick Valley Railroad, 10 miles from Chester to Warwick, is also operated but not leased. This road is operated in connection with the Newburg Branch Railroad the Company receiving payment in a fixed sum per mile run.

The average length of track operated in the several years (the Buffalo and Rochester Divisions having been taken into possession May 1, 1863) was as follows:

	1862.	1863.	1864.	1865
Length of route.....miles	628	729	797	797
Length of second track and sidings.....	307	334	355	383
Warwick Valley Railroad.....	10	10	10	10
Total equivalent single track.....miles	945	1,073	1,162½	1,190

The equipment of the company's roads at the close of each fiscal year is shown in the following table:

	1862.	1863.	1864.	1865.
Locomotive engines and tenders.....	226	243	276	333
Cars—Passenger.....	101	109	114	133
" Emigrant, baggage and caboose.....	164	201	247	264
" Box freight, cattle, milk and oil.....	3,115	3,386	2,633	2,975
" Flat freight.....			1,180	1,212
" Coal.....		310	540	884
Total number of cars.....	3,380	4,006	4,714	5,468

The equipment of the Buffalo Division is not included in the returns for 1863. It consisted of 28 locomotives and 459 cars, and made the total equipment 271 locomotives and 4,415 cars.

In estimating the freight capacity of the road, it should be borne in mind that the freight cars, on account of its wide guage, are of greater capacity than those on narrow guage roads.

BUSINESS OF THE ROAD.

The following table shows the miles run by engines, etc.; and the movement of passengers and freight over the road since the commencement of operations by the existing company in Jan. 1862, covering the years 1862, '63, 64, and '65:

Miles run by engines, and cost of renewals and repairs—

	Miles run.	Cost.	Cost per mile.
1862.....	4,835,359	$495,492	$10 05
1863.....	5,858,887	597,099	9 77
1864.....	6,916,324	908,023	13 38
1865.....	6,889,028	1,428,397	20 88

Movement of passengers—

	1862.	1863.	1864.	1865.
Through—East	14,987	24,778	35,143	50,036
" —West	32,450	58,612	59,949	105,036
Way—East.....	434,035	586,465	844,511	1,007,866
" —West	427,061	570,051	846,003	1,012,222
Total passengers moved.....	908,533	1,236,506	1,785,606	2,175,965

Movement of freight—

	1862.	1863.	1864.	1865.
Through—East	471,314	452,667	440,758	434,742
" —West	149,896	169,920	164,118	205,612
Way—East	501,018	635,442	622,151	1,310,288
" —West	553,006	616,605	677,268	584,149
Total tons moved	1,675,234	1,874,634	2,214,295	2,534,791

Gross earnings from passengers—

	1862.	1863.	1864.	1865.
Through—East	$115,961	$209,436	$315,112	$478,127
" —West	180,516	279,864	458,986	864,598
Way—East	432,261	642,908	1,057,202	1,295,539
" —West	471,712	718,717	1,170,898	1,393,616
Total	1,200,450	1,850,984	3,002,198	4,031,680

Gross earnings from freght—

Through—East	$3,639,765	$3,853,073	$4,748,583	$4,615,592
" —West	1,195,750	1,371,186	2,031,184	2,695,070
Way—East	1,462,863	2,322,774	2,332,567	3,036,025
" —West	765,985	929,807	1,130,593	923,074
Total	7,065,363	8,476,810	10,242,897	11,268,761

The report is deficient in not giving the mileage of passengers and freight, and consequently it is not possible to deduce the rates at which the business of the road has been done. Nor are there any data given from which we can learn the rates of cost to the company. The reports for the last three years are especially incomplete in these respects.

REVENUE ACCOUNTS.

The following is a statement of the receipts and expenses of operating the road for the four years since re-organization:

	1862.	1863.	1864.	1865.
Passengers	$1,200,450	$1,850,984	$3,002,198	$4,031,680
Freight	7,065,363	8,476,810	10,242,897	11,268,761
Mails	101,652	101,052	101,352	101,352
Other sources	32,869	40,635	83,196	32,982
Gross earnings	8,400,334	10,469,481	13,429,643	15,434,775
Office and station exp'ses	$671,905	$915,587	$1,294,907	$1,210,490
Transportation	1,274,833	1,355,549	2,284,660	3,136,025
General expenses	126,419	158,315	231,543	280,051
Repairs of engines & cars	1,177,241	1,455,761	1,920,433	2,607,297
Repairs of track and road	1,248,610	1,473,426	2,414,335	2,376,696
Repairs of structures	190,273	161,319	420,611	450,606
Incidental	36,859	48,324	54,504	22,348
Miscellaneous	134,608	198,805	232,562	284,749
Total expenses	4,860,748	5,949,086	8,882,040	10,368,264
Net earnings	3,539,586	4,520,395	4,547,603	5,066,511

Disbursed as follows, viz.:

Interest on mortgage debt	$1,399,405	$1,406,405	$1,231,806	$1,399,770
Rents of leased roads	138,400	133,400	182,400	182,400
Rent of Long Dock Property	144,040	143,552	135,163	165,699
Internal revenue taxes	27,617	113,505	333 812	561,250
Taxes on real estate	71,880	104,259	259,819	295,416
Hire of cars	.....	23,246	85,783	29,264
Pavonia Ferry	25,006	39,352	34,159	22,948
Loss by fire	9 ',786	10,000	.....	.....
Interest	.....	5,243	.....	49,330
Sinking Fund—Buffalo Br.	2,200	2,354	.....	.....
Buffalo, N. Y. & Erie R. R.: rents, repairs and expenses of operating	.....	322,780	372,484	582,242
Disbursements before dividends	1,903,235	2,309,096	2,635,427	3,218,311
Old debts paid	1,182,945	.....	.....	.....
Dividends July 1	.....	699,062	925,993	906,641
" Jan. 1	426,785	761,040	906,632	283,579
Total disbursed	3,512,965	3,769,198	4,468,051	4,408,531

Surplus income, Dec. 31	26,621	751,197	79,552	657,990
Surplus income, Jan. 1	.....	26,621	777,818	857,370
Total surplus income	26,621	777,818	857,370	1,515,350

From the surplus of Jan. 1, 1866, there was paid the usual dividend of 4 per cent on the common stock, amounting to $656,004, which reduces the balance of surplus income to next account to $859,846.

FINANCIAL CONDITION.

The financial condition of the company, as exhibited on the General Balance Sheet made up at the close of each of the last four years, is presented in the following statement:

	1862.	1863.	1864.	1865.
Stock—Common	$11,437,500	$11,569,500	$16,400,000	$16,570,100
do Preferred	8,535,700	8,535,700	8,535,700	8,535,700
Total stock	19,973,200	20,105,200	24,935,800	25,105,800
1st mortgage bonds, 1867	3,000,000	3,000,000	3,000,000	3,000,000
2d do do 1879	4,000,000	4,000,000	4,000,000	4,000,000
3d do do 1883	6,000,000	6,000,000	6,000,000	6,000,000
4th do do 1880	5,100,000	5,020,000	3,534,000	4,441,000
5th do do 1888	1,791,500	1,739,500	1,002,500	926,500
Buffalo branch bonds, 1869	200,000	200,000	186,400	186,400
Sterling bonds, 1875	.....	.....	.....	3,816,562
Real estate bonds	40,000	1,500	500	500
Total funded debt	20,131,500	19,961,000	17,823,400	22,870,962
Sk'g fund, Buff. Br'ch b'ds	2,200	4,554	.....	.....
Accounts payable	682,029	851,597	2,998,562	3,551,960
Int. accrued but not due	380,687	489,005	523,521	464,203
Div. declared but not paid.	426,785	761,040	906,631	283,579
Balance of income account	26,621	777,818	857,370	1,515,350
Aggregate	$41,623,172	$42,950,214	$48,045,284	$53,291,895
Road and equipment	$39,091,293	$39,404,648	$42,583,058	$47,409,404
Hawley Branch	26,815	103,297	233,295	236,947
Cash and cash items	747,612	1,550,767	562,217	905,159
Long Dock Company	191,936	.....	534,475	215,520
Buff, N. Y. & Erie R. R. Co	.....	161,282	.....	.....
Buffalo, Bradford, & Pittsburg Railroad Co	.....	.....	76,793	40,358
U. S. War Department	.....	.....	467,786	502,576
Accounts receivable	482,390	486,860	675,589	617,500
Materials on hand	583,560	623,889	2,284,099	2,176,823
Fuel on hand	470,566	310,476	213,853	880,326
Niagara Bridge stock	.....	350	4,140	4,140
Unadjusted accounts	.....	108,645	162,100	303,139
Aggregate	$41,623,172	$42,950,214	$48,045,284	$53,291,895

The following table shows the amounts paid on account of construction in each year since the reorganization of the company in Jan., 1862:

	1862.	1863.	1864.	1865.	Total.
Grading	$465	$164,065	$361,016	$301,608	$827,154
Superstructure	....	209,486	441,003	513,893	1,164,381
Land for road	....	3,455	27,969	4,360	35,784
Machine and workshops	679	28,216	257,414	628,535	914,837
Machinery in shops	55,844	30,214	96,394	177,661	359,443
Depots	....	31,998	73,539	152,294	257,831
Water stations	....	916	12,601	18,513	32,030
Locomotives and tenders	56,681	188,511	601,640	1,571,344	2,418,176
Passenger and baggage cars	16,615	21,129	106,044	350,186	493,974
Freight cars	115,726	92,962	626,481	402,748	1,237,917
Coal cars	....	106,590	348,348	367,141	822,074
Telegraph	2,175	2,977	6,120	1,055	12,327
Pavonia Ferry	55,665	15,387	.....	121,217	192,269
Long Dock improvements	....	.....	.....	215,590	215,590
Hawley Branch	....	103,297	129,997	3,652	236,947
Discount on 4th m. bonds	....	.....	.....	46,615	46,615
Interest on do	...	.....	.....	65,559	65,559
Total	$373,843	$999,204	$3,088,492	$4,941,293	$9,332,832

PROGRESS FOR SEVEN YEARS.

The following gives the length and cost of the railroads owned by the company, the miles operated, the gross earnings, expenses, and net earnings on account of operations and dividends, yearly, for the seven years ending December 31, 1865:

Fiscal years.	Miles owned	Cost of roads and equipment.	Miles operated.	Gross earnings.	Operating expenses.	Nett earnings.	Dividends paid.
1859	497	$36,420,907	563	$4,577,080	$2,944,507	$1,632,523	.....
1860	497	36,921,763	563	3,342,395	3,354,587	1,987,808	.....
1861	497	38,019,711	563	6,214,182	3,784,484	2,429,698	.....
1862	557	39,021,293	628	8,400,334	4,860,748	3,539,586	426,785
1863	557	39,404,648	729	14,469,481	5,949,086	4,520,395	1,460,102
1864	557	42,583,058	797	13,429,643	8,882,040	4,547,603	1,833,624
1865	557	47,409,404	797	15,434,775	10,368,264	5,066,511	1,846,224

PROPORTIONAL DEDUCTIONS.

Taking the next preceding table as a basis the following deductions are drawn showing the cost of the roads owned by the company per mile, the earnings, expenses and profits per mile expended, the ratio of expenses to earnings, the rate of profits to cost of road, and the rate of dividends paid;

Fiscal Years.	Cost of road per mile.	—Per mile operated— Earn'gs.	Expen's.	Profits.	Expen's to earnings.	Profits to cost.	Rate of Div.
1859	$73,289	$8,129	$5,230	$2,899	64.33	4.48	Nil
1860	74,289	9,491	5,958	3,533	62.79	5.38	"
1861	76,299	11,039	6,722	3,317	60.89	6.39	"
1862	70,056	13,376	7,740	5,636	57.86	9.07	"
1863	70,744	14,363	8,161	6,202	56.82	11.49	3½
1864	76,451	16,850	11,144	5,706	16.13	10.69	8
1865	85.115	19,336	13,009	6,327	67.28	10.68	8

The above dividend is on the common stock; the rate on the preferred stock was 5 per cent in 1862, and after that year 7 per cent per annum.

The profits would be materially reduced (say a third) by subtracting from them the rents of leased roads, taxes, &c., which are payable before interest and dividends on the proper capital of the company.

PRICE OF STOCKS AT NEW YORK.

The tables which follow show the range of prices paid for the stock of the company monthly and for the years 1862–64, both inclusive:

COMMON STOCK.

	1862.	1863.	1864.	1865.
January	31¼@36¼	66 @ 85¼	106¼@113	66½@86¼
February	33 @35½	70 @ 80¼	107 @124½	68¾@78
March	34½@38	74½@ 80¾	113 @126¾	44¼@73¾
April	36¼@37½	76 @ 84¼	107 @126	50¾@85
May	35¾@40¼	84¼@105	107 @117¾	69¼@84¾
June	35¼@39¼	90¼@ 98	110¾@118	70¾@79¾
July	33 @37	92¼@103¾	108¼@116	77¾@98½
August	33¼@39¼	103 @122	108¼@113½	76¼@91¾
September	36¾@49½	101 @118¼	93 @109	86¾@91½
October	49 @65¼	106½@110¾	84 @ 98	85½@93¾
November	59 @64¾	99¾@110¾	93¾@104¼	90½@97
December	60 @63½	104¼@109	82 @ 96¾	91½@97
Year	31¾@65¼	66 @122	82 @126½	44¼@98½

PREFERRED STOCK.

	1862.	1863.	1864.	1865.
January	52¾@58¼	97 @108	100¾@104¼	90 @101
February	54½@59¼	99 @106¼	101 @109	90 @ 93
March	58¼@62¾	93½@101¼	105¼@115½	70 @ 90
April	60¼@62¼	96 @102¾	105¼@116	77 @ 92
May	62½@67½	101½@111	106 @109	82 @ 90
June	63¾@67½	100¾@106½	108½@113	81¾@ 85

July	60 @64	100¾@105¾	107 @115¾	85 @ 88¾
August	62¾@69¾	102¾@111¾	103¾@112¾	80 @ 87½
September	67½@83	102 @108¾	101 @109	82 @ 86
October	80 @93	104 @105¾	100 @104	82 @ 86
November	87 @92	99¾@105	100 @106¾	82 @ 84¼
December	90½@97	1 0½@108¾	99¾@105	84¾@109¾
Year	52½@97	93 @111¾	99¾@116	70 @109¾

In the number for March, 1866, will be found a history of the Erie Company, to which the reader is referred for further information.

CENTRAL RAILROAD OF NEW JERSEY.

The Central Railroad of New Jersey, one of the great through roads across that State, may be characterized at the close of each year as follows :

	1859.	1860.	1861.	1862.	'63.	'64.	'65.
Main Line—Phillipsburg to Elizabethport.....miles	64	64	64	64	64	64	64
Extension—Elizabeth City to Jersey City	..	.	..	..	..	10	10
Total length of route	64	64	64	64	64	74	74
Second track.....	49	49	49	56	64	74	74
Sidelngs (including equivalent third track).....	56	61	64	68	69	71	77
Total equivalent single track.....	169	174	177	188	197	219	252

Originally this was almost entirely a local road, and dependent on the New Jersey Railroad for an entrance into Jersey City. The construction of an extension in 1863–4 made it independent in this respect, and the opening of new roads in Pennsylvania has given it an outlet to the West. It has thus become a favorite route for passengers to and from the interior. The construction of the South Branch from Somerville to Flemington, gives it a more Southern terminus through Lambertville and Trenton to Philadelphia, and it is possible that a better route to that city may be furnished by the construction of a short line between Lambertville and Doylestown, the terminus of a branch of the North Pennsylvania Railroad. The improvements already completed have more than doubled its general traffic in the past three or four years. But the great value of the road lies in its coal-carrying business, commenced ten years ago, and now aggregating a million tons a year. The mineral is brought both from the Lehigh and Lackawanna regions, that from the former being shipped at Phillipsburg, and that from the latter comes to the road at Hampton, the point of junction of the Warren Railroad, an extension into New Jersey of the Delaware, Lackawanna and Western Railroad. The depot of this trade is at Elizabethport, whence the coal is shipped to New York and other markets. The last named is a wide-gauge road, and to accommodate its cars the Central Company have laid down a third rail on both its tracks from Hampton to Elizabethport. The accommodations for the trade at Elizabethport are very efficient, and the works there have cost large sums. Indeed, it may here be stated, that the road itself has scarcely cost one half the aggregate expenditures of the company. The wharves and works at Elizabethport, Port Johnston, and Communipaw, and the ferry interests, lands, and miscellaneous properties make up the other moiety of the general cost. To understand the grand progress of the w rks connected with this road, it is only necessary to state, that at the inauguration of the coal trade in 1856, the capital (shares and bonds) of the company was only $4,500,000 ; it is now more than $12,000,000, and probably three million more will be required to complete the immediate projects now being carried out by the company. In one year—the last of record—the cost of the company's property rose from $114,865 to $164,796 per mile of road, and yet so liberal were the nett earnings, that the usual dividend o

10 per cent was paid on the increased capital. The accounts which follow show the progress of the capital, business, and general interests of the company, yearly, for the seven years ending December 31, 1865.

The rolling stock—engines and cars—owned by the company at the close of each year, is shown in the following statement:

Fiscal years.	Loco-motives.	Equivalent in 8-wheel cars. Pass.	Bag., &c.	Freights.	Coal.	Work'g.	No. of cars.
1859	32	21	7	196	...	26	276
1860	38	21	7	196	...	26	277
1861	39	21	8	219	...	29	307
1862	38	20	7	246	200	29	560
1863	51	22	7	307	200	30	604
1864	59	34	11	313	360	71	932
1865	65	52	17	368	461	71	1,223

The reports give no detailed statement of the ferry property, boats, &c. The works both at Jersey City and New York are still incomplete.

ROAD AND FERRY SERVICE.

The following statements exhibits the mileage of trains and ferry-boats, the number and mileage of passengers, and the tons and mileage of merchandise, coal and iron yearly.

Mileage of engines hauling trains and of ferry-boats:

Fiscal years.	Miles runs by Transportation trains. Pass'ger.	Merch'se.	Coal.	Total.	Working trains.	Total miles of engines.	New Jersey R.R.*	Miles run by ferry boats.
1859	141,918	110,827	276,490	529,235	25,637	554,872	.....	42,528
1860	152,518	133,763	376,476	662,757	33,010	695,767	40,152	38,187
1861	181,446	144,055	317,573	643,074	19,219	662,293	45,890	36,888
1862	201,833	146,136	309,363	657,332	29,872	687,204	53,584	47,656
1863	214,498	187,159	383,451	785,093	26,947	812,041	59,164	38,528
1864	290,641	177,688	415,740	884,069	63,949	948,218	.....	39,047
1865	431,834	230,361	393,693	1,055,388	132,590	1,187,978	.....	47,072

Number of passengers and tons of freight carried, and the mileage thereof:

Fiscal years.	Passengers. Number.	Mil'ge.	Merchan'se. Tons.	Mil'ge.	Iron. Tons.	Mil'ge.	Coal. Tons.	Mil'ge.
1859	405,939	8,081	145,357	6,211	43,061	2,756	638,958	32,998
1860	429,288	9,433	151,378	6,903	55,355	3,525	854,769	46,616
1861	401,634	10,802	162,382	8,496	56,690	3,619	823,214	42,907
1862	419,803	11,760	196,985	11,168	70,202	4,487	816,570	43,448
1863	529,017	13,182	263,625	13,540	80,853	5,172	1,049,881	56,795
1864	698,878	19,397	272,266	14,611	69,225	4,430	1,149,964	62,372
1865	928,806	23,832	317,181	17,338	75,469	4,830	1,004,506	55,683

The merchandise is expressed in tons of 2,000, and the iron and coal in tons of 2,240 lbs. The mileage is stated in thousands (1,000's) of miles

The coal tonnage of the road yearly, since the transportation of coal was commenced, has been as follows:

Year.	Lackawanna.	Lehigh.	Total.	Year.	Lackawanna.	Lehigh.	Total.
1856	98,670	33,325	131,995	1861	568,769	254,345	823,214
1857	209,950	84,841	294,791	1862	502,375	314,195	816,570
1858	417,776	122,923	540,649	1863	613,954	435,927	1,049,881
1859	455,681	183,277	638,958	1864	675,743	474,221	1,149,964
1860	590,863	263,906	854,769	1865	494,687	509,819	1,004,506
Total since commencement of business, 10 years					4,623,518	2,676,779	7,305,297

* Mileage of passenger trains run on New Jersey Railroad between Jersey City and Elizabeth drawn by engines of that company. Since 1863 these trains have passed over the new extension of the company's railroad.

TRANSPORTATION ACCOUNT—EARNINGS, EXPENSES, &C.

The following is a statement of the receipts and expenses yearly for the same seven years:

Fiscal years.	Gross earnings. Passenger.	Freight.	Coal.	Mail, &c.	Total.	Operating expenses.	Net earnings.
1859	$187,237	$336,635	$432,422	$15,418	$971,702	$385,716	$585,986
1860	206,281	362,482	597,324	19,761	1,185,848	475,457	710,391
1861	222,090	382,599	568,276	28,930	1,201,895	522,452	679,443
1862	230,805	481,977	661,281	24,024	1,397,587	623,245	774,342
1863	287,959	605,335	1,021,152	27,530	1,941,976	814,732	1,127,244
1864	488,224	731,722	1,317,954	39,284	2,537,184	1,231,554	1,305,630
1865	688,774	898,287	1,388,493	60,836	3,036,390	1,748,438	1,287,952

Against net earnings are charged, as follows:

Fiscal years.	Taxes. State.	U. S.	Interest paid.	Deprec'tion, renewals, &c.	Dividends on stock.	Surplus income.
1859	$28,740	$.....	$250,385	$91,660	$220,300	$.....
1860	24,502	.....	192,037	40,218	361,460	92,174
1861	24,517	.....	139,296	71,949	363,000	80,681
1862	24,523	8,263	142,512	175,723	363,000	60,321
1863	24,576	21,731	147,712	186,568	401,578	345,079
1864	26,417	49,602	155,134	.....	569,573	504,504
1865	31,219	90,041	170,859	134,156	861,676	.....

An extra dividend of 10 per cent, amounting to $515,000, was paid for 1863 from the surplus income, the balance of which at the end of that year was $578,255. By this operation the balance was reduced to $63,255. The surplus of 1864, $504,904, made the total to credit at the end of that year $568,159, at which it still remains, the net earnings for 1865 having been entirely consumed. The surplus income appears in the ledger under the title of "renewal fund," but this includes $60,000 transferred to it in 1863 being the amount of premium on sale of new stock.

GENERAL ACCOUNT—BALANCE SHEET.

The financial condition of the Company as shown in the Yearly Balance Sheet is exhibited in the following statement:

Close of year.	Paid up capital.	Funded debt	Acc'ts payable.	Accr'd to date— divid'ds	interest.	Renew'd fund.	Total amount.
1859	$2,319,000	$2,235,000	$37,761	$60,300	$.....	$ ..	$5,755,061
1860	3,630,000	2,000,000	35,335	90,750	47,833	92,174	5,896,099
1861	3,630,000	2,000,000	29,058	90,750	47,833	172,855	5,970,496
1862	3,630,000	2,000,000	320,434	90,750	47,833	233,176	6,322,193
1863	4,620,000	2,000,000	292,277	110,355	47,833	638,255	7,708,880
1864	6,500,000	2,000,000	429,349	159,118	47,833	628,159	9,764,509
1865	10,685,940	1,509,000	543,665	261,721	33,250	628,159	13,661,735

Against which are charged as follows, viz.:

Close of year.	Railroad account.	Stations, wh'ves, &c.	Engines & cars.	Ferry boats, &c.	Int.: & mixed prop'ty.	Mat'ls on hand.	Cash and cash items.
1859	$4,480,897	$419,517	$442,709	$246,450	$35,044	$87,773	$42,679
1860	4,480,897	422,514	489,500	246,650	35,044	101,528	119,959
1861	4,480,897	423,771	504,500	252,650	97,258	76,500	134,920
1862	4,480,897	434,355	606,542	217,050	375,511	79,552	198,288
1863	4,844,874	438,476	773,000	307,150	820,967	99,834	424,579
1864	5,519,011	724,916	1,078,538	554,343	1,405,635	122,649	359,397
1865	6,106,957	1,292,722	1,283,772	604,587	3,845,525	121,674	406,498

Under the caption of "Stations, Wharves, &c.," are included the following, viz: station-houses, shops and water-stations; lands and works at Elizabethport; Port Johnston coal wharves, and the Communipaw filling and bulkheads, the cost of which in 1864 is stated at $218,736; $301,856; $187,011 and 585,119 respectively.

PROPORTIONAL DEDUCTIONS.

The following, deduced from the above, exhibits the amount of capital (stock and bonds) expended per mile of road, the earnings, expenses and profits per mile, the

proportion of expenses to earnings and of profits to capital, and the rate per cent of dividends on stock, yearly, for the seven last years :

Fiscal year.	Capital per mile.	Amount per mile. Earn'gs.	Expens's.	Profits.	Exp. to earnings.	Profits to capital.	Divid'd p. c.
1859	$88,234	$15,183	$6,027	$9,156	33.07	10.38	10
1860	87,970	18,530	7,429	11,101	40.16	12.62	10
186	87,970	18,779	8,163	10,616	43.42	12.07	10
1862	87,970	21,837	9,738	12,099	44.67	13.75	10
1863	103,437	30,343	12,730	17,613	41.95	17.03	10&10ext
1864	114,665	34,266	16,642	17,644	4 .51	15.35	10
1865	164,796	41,032	23,657	17,405	57.62	10.56	10

PRICE OF STOCK AT NEW YORK.

The following statement exhibits the monthly range of price at which the company's stock sold at New York :

Months.	1860.	1861.	1862.	1863.	1864.	1865.
January	98 @100	107¼@110	114@119	...@...	...@...	....@....
February	99 @105¼	110 @115	120@122	170@170	....@...	....@....
March	103¼@105	115 @116	...@...	175@175	175 @175	....@....
April	105 @112	110 @115	...@...	...@...	....@...	....@....
May	112 @115	105 @106¼	...@...	...@...	....@...	....@....
June	116 @120	108 @112	...@...	...@...	...@...	....@...
July	116 @116	110 @112	130@130	...@...	...@...	....@....
August	118 @118	....@...	...@...	165@165	....@...	120 @124
Septemb'r	116 @117	110 @112	...@...	...@...	....@...	122 @125
October	115 @115	113 @113	150@150	...@...	....@...	122 @123½
Novem ber	100 @114	113 @114	150@150½	...@...	....@...	120 @122½
December	105 @110	....@...	155@155	...@...	....@...	118 @123
Year	98 @120	105 @116	114@155	165@175	....@...	....@....

The origin of the Central Railroad was extremely humble, but by consolidation and extension it has become one of the best properties in the Union. The Elizabeth and Somerville Railroad (25 miles) was chartered in 1831 and completed in 1839. The Somerville & Easton Railroad was chartered in 1847, and subsequently (in 1849) was authorized to purchase the first named road and change its title to that of the Central Railroad of New Jersey. Under the original charter nine and a half miles of road from Somerville to Whitehouse had already been constructed. In July, 1850, these two Companies were consolidated, and in September the construction of the remaining portion of the chartered route commenced. This was completed and the road opened to Phillipsburg on the Delaware July 2, 1852. The cost of the road to this date had been about $3,000,000 and to the end of the years 1854-5 the cost had risen only to $3,750,000.

The completion of the roads leading from the Lehigh & Lackawana Coal regions gave a new impetus to the interests of the Central Company, and led to the forma- which the Central Railroad become the channel of their trade to New York. This was in 1855 ; and for the accommodation of this business suitable and extensive improvements were made. From Hampton where the Lackawanna road comes in to Elizabethport a third rail was laid down for the accommodation of the wide cars of that line and a large coal depot formed at Elizabethport. A second track (also with a third rail) was subsequently laid down, and eventually the second track was extended from Hampton to Phillipsburg for the better accommodation of the Lehigh Coal trade.

Until 1864 the passenger business of the Central Company between Elizabeth and Jersey City was carried over the New Jersey Railroad for which privilege the Central Company had to pay fifteen cents per passenger. The freight business with New York was conducted by ferry boats between Elizabethport and that city. Under this high charge and these circumstances the development of business could at best be a slow process. To remedy this drawback the Company determined on construct-

ing an extension of their own road to Jersey City which was commenced in 1863 and completed in August 1864. This extension crosses Newark Bay and has been a very extensive undertaking. It also involved the establishment of an independent ferry to New York, &c. The Company are still proceeding with these and other improvements which when completed will have cost altogether about $15,000,000.

Notwithstanding the difficulties with which the Central Company have had to contend, and which are yet scarcely overcome, they have never, except in a single year failed to pay dividends. This exception was the year 1854-5 when the net earnings were devoted to construction. In 1852-3 they paid 5 per cent, in 1853-4 and 1855-6 7 per cent, and in 1856-7, 3½ per cent. Since this period regular 10 per cent dividends have been paid, and in 1863 an extra dividend of 10 per cent. Under these circumstances the stock of the Company has been a great favorite with investors and has always sold high in the market. Very little, however, is offered the great bulk being held for permanent investment.

NATIONAL AID TO AMERICAN STEAMSHIPS.

A memorial has been presented to Congress, we are informed, from the Commercial Navigation Company of the State of New York asking for the passage of a law authorizing the Postmaster General to arrange and contract with them for the weekly conveyance of the foreign and European mails of the United States between New York and Liverpool, for a term not exceeding twelve years. The proposition submitted by the Company is to establish a line consisting of seven sea-going steamships, two of them of two thousand and five of three thousand tons, all to be constructed in the best manner with all known modern improvements in model, machinery and outfit, so as to secure the greatest possible speed and safety. The purpose is said to be to secure a speed of from twelve to fourteen marine miles an hour, with a draught of water which shall not exceed sixteen feet when loaded; and in the plan of construction, to have their decks, one extending the entire length of the vessel, giving passengers every proper comfort and convenience. These steamships when constructed will constitute a United States Mail Steamship Line for the conveyance of the mails; the times of sailing and other details to be arranged between the Company and the Postmaster General.

The compensation proposed for carrying the mails is the postage. It will be remembered that a contract with a steamship company running vessels between this country and Brazil, gives that company those terms. The Commercial Navigation Company, however, ask beyond this in view of the expenditure of about eight millions dollars, required for building, equipping and operating such a line of steamships, that the Postmaster General shall be authorized to guarantee the payment of their bonds to the amount of some $3,000,000. In order, however, to assure the Government against loss in this transaction, the company are to give to the United States a first lien upon the steamships, their tackle, apparel, machinery and furniture, which will be, it is shown by the exhibits of the company, worth full double the amount of the obligations so assumed; also, that the Postmaster-General shall receive all the moneys paid for postage on the mails so carried, applying it to pay the interest on the bonds, and retaining the excess for the liquidation of the principal till the

whole indebtedness shall have been met. The bonds so guaranteed shall be issued in such amounts and at such times during the construction of the steamships as the Postmaster-General shall determine; and shall be made payable at the expiration of twelve years, bearing interest at five per cent, gold, to be paid semi-annually. The company propose also, for additional security against loss on the part of the Government, to cause each of their steamships to be insured against the dangers of the seas in amounts equivalent to the amounts of the bonds so guaranteed and owing, by marine insurance companies in good standing; the policies to be made payable on the order of the Postmaster General. The diplomatic agents of the United States are to be received and carried as passengers on their ships free of expense to the Government, at such times and periods as shall be required of the Secretary of State. The Navy Department, in the event of war, may take the vessels and use them as transports or ships of war for an equitable sum, or may purchase them, as the Secretary of the Navy shall deem proper, for the public service.

The estimate upon which this proposal is based places the average annual amount to be received for postage at $450,000; which would be more than ample to liquidate the interest and principal of the bonds so endorsed. By reference to the report of Postmaster General Dennison, for the fiscal year ending on the 30th of June, 1865, it will be seen that the amount paid to foreign steamship lines for postage on mail matter to Europe, was $405,479; the total amount for the three years ending with that date being $1,109,403. The company suppose that, with the return of peace, postal communication will be increased somewhat above these amounts, which is more than probable.

This proposition brings up again the whole question of the policy of granting governmental aid for these private enterprises. There is no need of defining the subject; it has been too often discussed for any one not to understand the arguments. The legitimate province of government, abstractly considered, is the administration of justice. The establishment of industrial pursuits and analogous legislation are hardly to be included in its purposes. It is to be presumed that the citizen will employ his talents and energies in the vocation that will be most lucrative, without asking for legislation to make it so. But the exigencies of the business world have often complicated these matters. The pursuits of commerce become essential in the way of making other departments of industry remunerative. Acting under this view, the British Government has given large subsidies to steamship lines running to America, the West Indies, and Australia. Mr. Cunard, when he projected his line of steamers, demonstrated that the magnitude of the capital which it must involve, and the vast expenditure attaching its maintainance, were such as not to be covered by any commercial returns to be expected from it; and that, consequently, it could only be sustained by a liberal subsidy. The government stipulated to grant him £60,000 a year, and he began his enterprise; but finding this amount insufficient, he obtained its increase to £100,000. This did not meet the exigency, and it was raised to £145,000 a year—which Doctor Lardner calculated to amount to ten shillings and eight pence a mile. The West India Steam Packet was afterward established, and received a still greater subvention, £240,000 per year. Recently, these subsidies have been discontinued, as was

obviously proper, the profits of the lines having become ample to remunerate the companies for the capital invested. England has received her compensation in the volume of the commerce obtained through the running of popular steamship lines.

In the United States there has been a strong feeling against this policy of subventions. The experiment of the Collins steamship lines has seemed to deepen rather than alleviate this prejudice. Nevertheless, aid has been granted to two Pacific Railroad Companies, and large grants of public lands have been made to the new States for railroad purposes. Every argument that can be employed in defence of these measures would seem to apply with equal force to the bestowment of governmental aid upon steamship lines. They increase the volume of commerce and direct it to our own ports, thus making industry remunerative and so developing the resources of the country. The example already set of granting to the line running between this city and Rio de Janeiro the amounts received for postage, affords a precedent. Whether it is sound policy after making a like contract with the Commercial Navigation Company, to take a further step and guarantee their bonds, may be somewhat questionable. It would seem at first blush that a company having a mail contract of twelve years would be able on its own security to obtain all the money required. There are, nevertheless, other facts to be taken into consideration. The capital of the country has been depleted by the recent civil war, and there is but a small amount comparatively now seeking investment. If it is ever proper for a government to step aside from its legitimate province to grant aid to private enterprise, it is at such periods. The Legislature of the State of New York, just after the Revolution, created a fund to be lent to citizens to enable them to carry on business; it has also made grants to railroad and other companies. Other governments have, under the pressure of similar emergencies, taken measures to aid men of enterprise. When we consider what Great Britain has done to promote steam navigation of the ocean, and the advantages which were thus secured for her merchants and manufacturers, it will go far to obviate whatever prejudice we may entertain about subventions. It is for our interest to keep up commercial intercourse with the ports on the Mediterranean and the countries lying on the Indian and Pacific Oceans. To effect this, it will be necessary to bring them into frequent communication with the United States. If the patronage of our Government can be prudently and judiciously employed to that end, it would, therefore, seem to be advisable to bestow it, either by subsidy or by liberal contracts. Upon the direct question of assuring, or rather guaranteeing private obligations, we are not so clear. It looks too much like a mixing up of public with private matters, and in such cases, in times past, the public interest was but too often liable to be a loser. But we would not be too nice and fastidious when an ulterior advantage is likely to ensue counterbalancing the risk of loss. It is now the time, if ever, when the Government should be generous to private enterprise, particularly when such an opportunity is likely to be afforded to initiate an era of commercial prosperity for the country. We trust, therefore, that Congress will weigh carefully the entire question, and determine wisely as to the course which shall be pursued.

THE PAST AND FUTURE COTTON SUPPLY.

THOSE who estimated the supply of cotton in the South at the close of the war at about two and a half millions of bales, appear likely to witness the fulfilment of their predictions. From the close of hostilities up to the present time, the receipts at all the ports aggregate about 2,300,000 bales, and it is probable that about 125,000 bales more remain still in the interior. Until a late date, the stock not yet brought forward was estimated at about double this amount. The large falling off in the receipts within the last three weeks has, however, modified this opinion; and now there are but few estimates exceeding the figures we have stated. The largely diminished arrivals at the ports have produced a very general belief that we are verging closely upon the last of the old crop. For the purpose of showing the extent of reduction in the arrivals, we present the following comparison of the receipts at all the ports at the latest mail dates reported at New York, for the last three weeks, and for the three weeks ending May 4:

	Bales.		Bales.
For week ending April 20	40,000	For week ending May 18	20,000
" " " 27	35,000	" " " 25	19,000
" " May 4	33,000	" " June 1	17,000
Total	112,000	Total	66,000
	66,000		
Decrease	46,000		

We have then a decrease of 46,000 bales in the last three weeks, compared with the aggregate for the three weeks ending May 4. This decided contraction in the receipts is so sudden as to give plausibility to the suggestion that cotton has been kept back from some motive; and it is readily supposed that the symptoms unfavorable to the prospects of the growing crop, which have been developed during the last month, may, with the present low prices, have supplied such a motive. Still we do not think it probable, since all the information we have from the interior clearly indicates an exhaustion of the supply, if we except the stocks at Memphis, Augusta, etc. As we are then approaching the close in the receipts of the old crop, it may be interesting to compare the movements of the staple at the principal ports. The following statement shows the receipts and exports since Sept. 1, 1865, and the stocks at the latest dates:

RECEIPTS AND EXPORTS OF COTTON (BALES) SINCE SEPT. 1, AND STOCKS AT DATES MENTIONED

PORTS.	RECEIVED SINCE SEPT. 1.	EXPORTED SINCE SEPT. 1 TO—				SHIPMENTS TO NORTH'N PORTS.	STOCK.
		Great Britain.	France	Other for'gn.	Total.		
N. Orleans, May 25	640,903	312,987	119,360	19,863	452,210	121,695	147,496
Mobile, May 25	395,754	213,717	87,318	1,579	253,614	96,091	42,407
Charleston, May 25	96,648	35,284	5,959	578	41,821	42,571	9,610
Savannah, May 25	226,865	84,060	1,492	....	85,552	131,405	16,668
Texas, May 19	160,395	56,167	1,739	3,214	61,120	61,956	8,357
New York, June 1*	130,366	379,617	35,090	40,680	455,387	....	149,000
Florida, April 21	136,753	31,772	....	....	31,772	113,433	6,742
N. Carolina, June 1	60,442	21	....	....	21	60,442	....
Virginia, June 1	30,741	....	....	....	....	30,741	....
Other ports, May 29	....	18,049	....	290	18,339	....	....
Total	1,878,866	1,131,674	300,358	66,204	1,398,836	728,364	380,280

* By Railroad, Canal and River.

The total receipts since September 1st thus appear to amount to about 1,878,866 bales. During the same period we have exported to foreign countries 1,398,836 bales, or within 480,000 bales of the whole receipts. Of the total shipments 1,131,674 bales have gone to Great Britain, and 200,958 bales to France. Great Britain has taken 60 per cent of the whole receipts, and France about 10 per cent. For the first time in the history of the cotton trade, New York has proved to be the chief cotton port, the exports from this port having been 455,387 bales, from New Orleans 452,210 bales, and from Mobile 252,614 bales.

The present stock of cotton at all the ports aggregates about 400,000 bales; so that, supposing there should be 125,000 bales still in the interior, we have a total supply for the remaining three months of about 525,000 bales. Our own spinners may be supposed to require, say 15,000 bales per week, or at the utmost not over 200,000 bales of this amount; and the question of chief interest is, How far will the balance, after allowing for moderate stock at the close of the year, suffer for the want of foreign spinners? The condition of the British market is deserving of special notice. On the 10th of May the combined stocks of London and New York amounted to 928,422 bales—in addition there was afloat for those ports 135,000 bales of American and 711,000 bales of Indian—making a total supply of 1,775,080 bales. Now, deducting from this amount say half a million bales as the ordinary stock at the close of the cotton year, there would remain for consumption and export 85,000 bales per week until the 1st September, or nearly 40,000 bales per week in excess of the average sales for consumption and export at Liverpool since January 1st. It appears, therefore, that the Liverpool market is being so heavily crowded with cotton, it can be of no serious consequence to the British cotton trade that our supplies are being rapidly exhausted, unless they need a larger proportion of the long staple cotton than they are receiving. Without assuming any immense receipts at Liverpool from the present time to the close of the cotton year, it would seem quite probable that, on the 1st September, the stock at that port will not stand below the extraordinary figure of 1,000,000 bales.

Should this prove to be the case, the trade will have an important offset against any disappointment in the crop that may occur here. Present indications are not at all flattering to the hopes of a three-fourths crop lately cherished. The fears of a lack of vitality in the old seed which planters were compelled to use have been realized, the plant having withered to such an extent that large tracts of land have to be replanted. The tax of five cents upon cotton and the panicky condition of affairs at Liverpool have induced some of the growers to plant corn instead of cotton upon lands where the seed has thus failed. In some districts the neglected condition of the lands has caused such a growth of weeds as has seriously injured the progress of the cotton plant. Storms and frosts, too, have done fully their average amount of damage to the crop. The crevasse on the Mississippi has caused the flooding of a very important cotton country; and there seems to be little hope that the waters will subside early enough to admit of the crop there being replanted with any prospect of its ripening in due time.

These facts are certainly discouraging, and do not favor the late estimates of two and a half to three millions of bales. There are, how-

ever, so many contingencies of weather, worm and labor, that it would be useless to attempt any definite estimate as to the total amount likely to be realized out of the growing crop. Time alone can furnish the solution of this question, upon which the value of such an immense amount of property depends.

COMMERCIAL CHRONICLE AND REVIEW.

Stagnation in Business—Panics—Derangement of Money Market—Return of Five-twenties from Europe—Rates of discount—Prices of American Securities at London—New York prices of Governments—Railroad Stocks—Course of Gold for month—Treasure movement—Exchange, &c.

The threatened war, the London panic, with the continued decline in cotton, and the consequent drain of about twenty five millions of gold, resulting in a rise of from 125¼ to 140¼, and unsettling all values, have been the prominent influences operating on the market during the month, producing general stagnation in business circles. With the rise in gold holders have become more firm, and in some cases put up prices, and checked even the little animation exhibited before. Among all classes, however, a feeling of great incertitude prevails in regard to the future, and the panic at London has seemed to increase rather than diminish it. With a certain class of financial men it has long been a prevailing theory that as a panic has usually invaded this country and England once in ten years, so in 1867 we ought, in the ordinary course of things, to look for a repetition of the disasters of 1857, 1847, and former decadic periods. It has also been suggested, that as we have now a deranged and depreciated paper currency, which has a constant tendency to produce a treacherous and inflated state of credit, the coming of the financial storm may probably be accelerated, and its force may strike us before the completion of the tenth year. Such suggestions from sagacious, far seeing men, have their uses ; and with an intelligent people are productive of the most salutary general caution. Had not the worst abuses of which our expanded credit system is capable been continually kept in check, we might long ago have had enacted among us scenes in comparison with which the memorable events of 1857 would have seemed almost insignificant. A financial panic now would be much more serious in its consequences, more wide in its sweep, and more resistless in its course, than any similar previous convulsion recorded in our history ; for at present our financial edifice is composed of and surrounded by combustible materials, so that a conflagration, should it break out, would be less under control. It is, therefore, of no small importance that we should be advised to be on our guard, to adopt every known precaution, to use every preventive in our power.

The recent panic in London adds another to the list of our warnings. In England the credit system has long had a tendency to expand beyond all safe limits, and the overstrained machinery has at last broken down. Had the other banking and finance companies been generally in a sound condition, the failure of a great house like that of Overend, Gurney & Co., could scarcely have failed to cause much commotion. But, as has happened here on the suspension of a lead-

ing banking firm, the commotion usually subsides without the wave of trouble being able to reach more than a very limited circle. The sufferers mostly obtain speedy and easy accommodation elsewhere; for, partly from sympathy, and more from policy, other banking houses are led to do all they can to prevent the panic from spreading or becoming general. Hence, in a short time the great wheels of the financial machine revolve as before. Now, every one who has intelligently watched the monetary movements of the last five years, can point out half-a-dozen occasions or more when the symptoms of approaching panic were appalling, but the glowing embers were extinguished before they could spread and rise into a conflagration.

What, then, shall we infer from this state of the facts? First, it is evident that a financial revulsion, if appropriate timely means be used, may be prevented. "A panic which everybody expects," says the proverb, "never comes." It was partly because of their fancied immunity from danger, that the recent disasters in England were so fatal; and it is because of our acknowledged exposure to financial troubles, that we have enjoyed such freedom from their most formidable consequences. For the mariner who carries too much sail, and too little ballast, is most in danger from the sudden squall. Let our richly freighted barque be more cautious beforehand, and it may safely ride out the storm, come when and with whatever violence it may. Moreover, as we have heretofore avoided the long prognosticated panics, so we shall perhaps continue exempt, if we only persist in making use of the same means as we have found effectual hitherto. A financial crisis is not like an earthquake or a volcanic eruption, or a malignant epidemic, produced by causes that are unknown or beyond our reach. It rather resembles an incendiary fire, the materials being heaped up by ourselves beforehand, on which, but for our own misdoing, the sparks, though cast by a careless, or ignorant, or malicious hand, would fail to do much harm. We must, however, be well assured that during the next year or two, nothing but the most firm circumspect and judicious care will preserve us from panics and revulsions of a most disastrous character.

The great lesson which the late English monetary crisis teaches us is the danger of over speculation. Bankers and finance companies, by offering high rates of interest, attracted heavy deposits. The money thus obtained they engaged to pay back to the owners on demand. Regardless of the danger that it might suddenly be demanded, they lent it out at very high rates for one year, two years, or even a longer time. Now, there are not a few of our own bankers, who, like Overend, Gurney & Co., and others, forget that high rates for money mean large risks, and should either be protected by adequate reserves, or preferably refused altogether.

From the statements of the London journals it appears that in this matter of reserves the most infatuated negligence seems to have prevailed among the finance companies and private banking houses of England. All those which have succumbed are reported to have invested their whole, or nearly their whole available means, trusting to the reserves of the Bank of England to help them out if any difficulty should occur. A more perilous course it is difficult to conceive. The reserve of ready money held by the Bank of England, according to

this method of banking, would be relied on as a basis not only for its proper and known liabilities, but for the vast unknown mass of floating obligations incurred by a multitude of independent and uncontrolled institutions, who are making the greater gain by working without adequate reserves of their own providing. In the conflicting mass of testimony on the subject, it is not easy to find out to how great an extent this vicious and dangerous practice has obtained; but it well deserves, and we trust will soon receive, a thorough exposure by a Parliamentary commission

If there be one feature of our banking system which has chiefly and most of all tended to give solidity to the whole fabric, we think that feature is the positive obligation by which each institution has to keep a reserve of legal tenders equal to one fourth of all its liabilities for notes and for deposits. This provision is the great safeguard of the system, and has tended to neutralize and arrest many of its evils. We cannot too jealously guard the legal tender reserves of our banking institutions. And it is a gratifying fact, pointed out by Mr. Freeman Clarke in his last report, that the aggregate reserves of our National Banks are considerably in excess of the requirements of the law.

It is one of the many valuable functions discharged in our financial system by the compound legal tender notes that they act as a reserve and give strength to the banks, while as they earn interest, an inducement is offered to the banks to carry more compounds than they are actually compelled to hold by the law. This, doubtless, is one chief cause of the interesting fact relative to the excess of the legal tender reserve for which Mr. Clarke does not in his report attempt to account. It also furnishes us with an additional reason to those we have frequently detailed in these columns for disapproving the policy of withdrawing the compound notes which is advocated in influential quarters.

To sum up our whole argument, we may say that in proportion as we have abundant reserves in our banks and abstinence from inordinate speculation in all departments of financial enterprise shall we be likely to have an exemption from the worst evils of monetrry panics.

The money market during the month has exhibited considerable derangement, in great part due to the sales of thirty millions of gold by the Government within the ten days ending May 24. The sudden increase of our foreign indebtedness by the return of Five-twenties from London, and the falling due of from eight to ten millions of coupons of Five-twenty bonds held abroad, at the same time with the stoppage in our exports of cotton, necessitated the shipment of an extraordinary amount of specie. To meet this demand and to prevent a rise in gold the Government very unwisely opened its coffers, and as the bulk of the payments fell due in one week, the result was a sudden and heavy drain on the banks, with considerable derangement in monetary affairs. Late in the month there has been a steady recovery. Below we give the current rates for loans each week:

RATES OF LOANS AND DISCOUNTS.

	May 4.	May 11.	May 18.	May 25
Call loans	4 @ 5	4@ 5	4 @ 5	7 @ --
Loans on Bonds and Mortgage	6 @ 7	6 @ 7	6 @ 7	6 @ 7
A 1, endorsed bills, 2 mos	5½@ 6	5 @ 6	5 @ 6	6½@ 7
Good endorsed bills, 3 & 4 mos	6 @ 7	6 @ 7	6 @ 7	6½@ 7
" " single names	7 @ 8	7 @ 8	7 @ 8	8 @10
Lower grades	10@15	9 @12	9 @12	10@18

There have been, during the month, about twelve millions of Five twenties returned from Europe, and the market here, towards the close of the month, has yielded somewhat until the rise in gold caused an increased demand, and the price rapi lly recovered.

There are two things which, to us, render it probable that the return current of our securities from Europe will not, for any great length of time, be kept up. First, there are comparatively few of our Five-twenties in England. Of the 350 millions of these securities which are in the hands of European holders, it is computed that not more than 50 millions are owned by British capitalists. Hence, if on the Continent of Europe, in consequence of the troubled state of the political atmosphere, a considerable amount of bonds should be thrown on the market, they will be very likely to be taken up in Europe, where there is always an immense amount of capital waiting to invest itself in sound and safe securities. The firmness in consols indicates that the scare in the London money market is passing away, and that the financial atmosphere is clearing up. The same cause which has given a turn to British investments in the direction of consols, can scarcely fail to operate in favor of American securities, especially as all the securities of the Continental governments are temporarily depressed and avoided.

Secondly, there is in England a growing conviction which is permeating the masses of the people, and is obtaining more and more power over the moneyed and governing classes, that this country is well able to bear its load of debt, and that our unbounded faith in the vast resources and recuperative energy of the United States does not rest on a false foundation. This conviction has recently found expression in the House of Commons in a speech by the Chancellor of the Exchequer, Mr. Gladstone, whom no one will suspect of undue partiality. He observes that "the debt of the United States is in itself something wonderful—wonderful as the creation of four years, strictly of four years, and no more; and yet amounting to nearly $3,000,000,000, or £600,000,000, and the rate of growth of the debt in the last year exceeded, I think, £200,000,000. That is a wonderful debt, and its charge is enormous. Well, now, looking at these figures, a man would be struck with something like despair; but if we look at the position of the country which has to bear the burden, I must confess that I think *the future of America*, as far as finance is concerned—political problems are not now in question—*will not be attended with any embarrassment. I do not believe the debt will constitute any difficulty for the American people.* I am confident that if they show with respect to finance, any portion of that extraordinary resolution which on both sides alike they manifested during the war, and of that equally remarkable resolution with which, on the return of peace, they have brought their monstrous and gigantic establishments within moderate bounds, I won't say that this debt, according to an expression which was once fashionable in this country, will be a fleabite, but that in a moderate time it will be brought within very small limits, and *may, even within the lifetime of persons now living, be effaced altogether.*" In these remarks we see not merely what is thought of American securities by Mr. Gladstone, but they are still more valuable as an echo of British opinion, and especially of the opinion of British capitalists and investors. With such testimony before us, we are still of the opinion we expressed recently, that in proportion as our securities leave Germany, they will have a growing

tendency to find a resting place in England. We do not wish to be understood as favoring the retention of our bonds in Europe. On the contrary, if we are able to absorb the whole of them in this country, our financial position would be stronger, or less open to disturbance than if they were held abroad.

The extent of the decline at London may be seen from the following table of the highest price at London daily, for the four weeks record during the month:

PRICES OF AMERICAN BONDS AND RAILROAD SHARES AT LONDON.

	Week ending April 21.						Week ending April 28.					
	Mon	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5'20's, '62.	69⅛	69⅛	69⅜	70⅛	70⅛	70	70⅜	70⅜	70⅜	70⅜	70⅛	70⅛
	Week ending May 5						Week ending May 12					
	Mon.	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5-20's, '62..	69⅛	..	69⅛	68⅜	69⅛	68	68⅛	66⅜	66⅛	65⅛	63⅛	63

From the foregoing it will be seen that the decline is from 73⅜ on April 6, to 63 May 12. Below we give the price at the New York Stock exchange of the several leading Government securities represented by the closing sale of each day in May, 1866;

PRICES OF GOVERNMENT SECURITIES, APRIL, 1866.

Day of month.	6's, 1881. Coup.	6's, 1881. Reg.	6's, 5-20 yrs. Coup.	6's, 5-20 yrs. Reg.	5's, 10-40 yrs. Coup.	5's, 10-40 yrs. Reg.	7-30's, 1867.	1 y'r certif.
Tuesday... 1	108	....	101⅝	101⅞	94⅛	....	101⅜	100⅛
Wednesday 2	108	108⅛	101⅜	101⅝	95	....	101⅜	....
Thursday.. 3	108⅛	108⅛	101⅞	102	96	....	101⅞	....
Friday..... 4	109	109	102⅛	.....	95⅜	....	102	....
Saturday... 5	109⅛	.....	102⅛	.....	95⅞	....	102	....
Sunday.... 6	.....	.....	.....	.....	.....	....	.....	....
Monday.... 7	109	.....	102⅛	102	95⅜	....	102	....
Tuesday... 8	109⅛	.....	102	102	93⅛	96	102⅛	....
Wednesday 9	109	.....	102	....	96	....	102⅛	100⅛
Thursday..10	109⅛	109⅛	102	102⅛	95⅞	....	102⅛	.00⅛
Friday.....11	109⅛	109⅛	102	.....	96	....	102⅛	100⅜
Saturday...12	109⅛	109⅛	102	.....	96	....	102⅛	....
Sunday.....13	.....	.....	.....	.....	.....	....	.....	....
Monday....14	109	.....	101⅛	102	95⅞	....	102⅜	....
Tuesday ...15	108⅞	.....	101⅜	.....	96⅛	95⅞	102⅜	100⅛
Wednesday16	108⅜	108⅜	101⅜	.....	96⅛	....	102⅜	100⅛
Thursday..17	.....	.....	101⅜	.....	....	....	102⅜	100⅛
Friday.....18	109	.....	101⅜	101⅜	....	....	102⅜	100⅛
Saturday...19	.....	.....	101⅜	.....	....	....	102⅜	....
Sunday.....20	.....	.....	.....	.....	....	....	.....	....
Monday... 21	108⅜	109	101⅜	102⅛	96	96⅛	142⅜	100⅛
Tuesday...22	.....	108⅜	100⅜	.....	95⅛	....	.....	....
Wednesday23	107⅝	.....	100⅜	.....	94⅛	....	101⅛	....
Thursday..24	108⅜	108	100⅜	.....	94⅛	....	101⅛	....
Friday.....25	.....	.....	101⅛	.....	94⅜	94⅜	.....	....
Saturday.. 26	108⅛	.....	101⅜	104⅛	95⅛	....	.....	....
Sunday 27	.....	.....	.....	.....	....	....	.....	....
Monday....28	108⅛	.....	102⅛	101⅛	96	....	102⅛	100⅛
Tuesday ..29	109⅛	109⅛	102⅛	.....	96	....	102⅛	....
Wednesday 30	109⅛	.....	102⅛	.....	96	....	102⅛	....
Thursday..31	109⅛	.....	102⅛	.....	95⅞	....	102⅛	...
Opening.....	108	109⅛	101⅝	101⅞	94⅛	96	101⅜	100⅛
Highest.....	109⅛	109⅛	102⅛	102⅛	96⅛	96⅛	102⅛	100⅛
Lowest.....	108	108	100⅜	101⅛	94⅛	94⅛	101⅛	100⅛
Closing.....	109⅛	109⅛	102⅛	101⅛	95⅞	94⅛	102⅛	100⅛

The railroad returns for the month of April show very satisfactory results; since instead of the large decrease in earnings anticipated on the close of the war very many of the roads show an increase. Below we give the earnings for the month compared with the corresponding periods of 1865.

RAILROAD EARNINGS FOR THIS YEAR.

Railroads.	1865	1866	Difference.	
Atlantic and Great Western	$399,870	$388,480	Decrease..	$11,390
Chicago and Alton	258,480	370,889	Increase..	112,409
Chicago and Great Eastern	75.514	102.801	Increase..	27,287
Chicago and Northwestern	468,358	5 8,736	Increase..	50,378
Chicago and Rock Island	186,172	197,886	Increase..	11,714
Erie	1,538,314	1,153,295	Decrease..	385,010
Illinois Central	516,608	406,773	Decrease..	109,835
Housatonic	33.237	37,558	Increase..	4,321
Marietta and Cincinnati	86,184	82,722	Increase..	536
Michigan Central	337,240	343,736	Increase..	6,496
Michigan Southern	366,245	409,427	Increase..	43,182
Milwaukee and St. Paul	106,269	121,904	Increase..	15.635
Ohio and Mississippi	271,527	277,423	Increase..	5,896
Pittsburg, F. Wayne and Chicago	733,866	606,078	Decrease..	127,788
Toledo, Wabash and Western	144,001	270,300	Increase..	125,299
Western Union	32,972	43,333	Increase..	9,361
Total	$5,551,859	$5,331,341	Decrease.	$220,518

The decrease appears thus to have occurred in the great through lines, as the Erie, the Atlantic and Great Western, the Pittsburg, Fort Wayne and Chicago and the Central Illinois. In all others noted above, there has been more or less increase. It may, however, be observed that in the case of the Toledo, Wabash and Western, the mileage operated this year is double that of last year, which converts the apparent increase into a decrease.

The market for railroad and other stocks has been quite active during the month. The speculative ardor of Wall street was momentarily checked by the unfovorable advices from the money centres of Europe and a temporary depression of prices resulted. Very soon, hewever, the street appeared to reach a unanimous conclusion that the Bourse and 'Change had little direct bearing upon Wall Street, and the flurry was consequently succeeded by a fresh activity in speculation for higher prices. In the latter part of the month, however, this buoyant tendency was checked by an extraordinary movement in Erie. On Monday about twenty thousand shares of the stock was thrown upon the market, causing a decline of 5 per cent. On Tuesday about twenty thousand more sold, producing a further fall of 5 per cent, the price closing on that day at 57½. On Wednesday about ten thousand shares more were sold, but the price reacted and closed at 61⅛—a recovery of 4½. Yesterday the price opened at 59½, and closed at 60½; and to-day on the street the stock was quoted 61½@61⅝.

This extraordinary movement is explained by the supposition that the speculative director of the road had thrown a large portion of the stock he holds as collateral on a loan to the company upon the market. We understand that the company recently borrowed a further sum from Mr. Drew—augmenting his loan to $1,800,000—depositing fourteen thousand shares of common stock, thereby increasing the amount of stock held by him as collateral to twenty-eight thousand shares. It is understood, further, that the company has negotiated with Mr. Drew for a new loan of $1,700,000, to run two years, advancing as collateral $3,000,000 of the convertible bonds of the company, which bonds Mr. Drew is to have the right to convert into stock at his discretion, and either of which he may use as he pleases, only being obligated to return an equivalent amount of either bonds on stock on the liquidation of the loan. The total floating debt of the company is stated to $3,500,000, which, when the last mentioned loan is taken up, will be represented by Mr. Drew's loans. There has been rather more

activity in the miscellaneous list, especially in Boston Water Power and Canton, both of which are under clique manipulation. The following are the closing quotations for leading stocks, compared with those of previous weeks:

	April 20.	April 27.	May 4.	May 11.	May 18.	May 25.	May 31.
Cumberland Coal	45	45	44¼	45	47	45¾	....
Quicksilver	53	55¼	54	55¼	54¼	52¼	52¾
Canton Co.	58	57¼	59	....	61¾	57¾	60
Mariposa pref	..	23¾	25¼	24¼	23	23¼	24½
New York Central	92¼	93	92¼	92¼	94¾	94¼	93
Erie	72¾	73¾	73¾	73¾	74¼	68¼	60½
Hudson River	108¾	110¼	110½	109¾	111¾	113¼	113¾
Reading	103	105	107¾	107¾	107¾	110¾	109¾
Michigan Southern	81¾	82¾	78¼	78¾	79½	80	80¾
Michigan Central	103¾	107¼	....	....	....	108	107
Cleveland and Pittsburg	80½	83¼	82	83½	86	86¾	84½
Cleveland and Toledo	xd.101¾	104¾	104¼	104¼	105	104¾	....
Northwestern	27	29¼	29	28¾	29¾	28¾	28½
" preferred	56¾	59	61¼	58¾	59	58	58¾
Rock Island	120	123	123¾	xd.94¾	93¾	93	....
Fort Wayne	96	98½	100	99	98¾	96¼	97¾
Illinois Central	114¾	122	121¾	122	120¾	118	118¾

The imports of foreign dry goods at this port for May show, as we stated would be the case, a still further decrease compared with the previous months of 1866 and the last half of 1865, and yet the total entered at the port is larger than for the same period of either of the previous three years. The whole value landed here during the last four weeks was $6,687,738 of which $4 346,822 went directly into consumption and $2,340,916 went into warehouse. There was also withdrawn from the warehouse during the same period $2,098,963, making a tatal thrown on the market in May of $6,445,785. Below we give the figures for the month:

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR THE MONTH OF MAY.

ENTERED FOR CONSUMPTION.

	1863.	1864.	1865.	1866.
Manufactures of wool	$652,927	$891,927	$865,699	$1,325,970
do cotton	160,199	371,889	309,057	669,475
do silk	700,511	906,379	819 920	887,601
do flax	432,029	687,485	520,930	908,052
Miscellaneous dry goods	156,604	247,642	151,863	355,734
Total entered for consumption	$2,102,270	$3,105,322	$2,667,469	$4,346,822

WITHDRAWN FROM WAREHOUSE.

	1863.	1864.	1865.	1866.
Manufactures of wool	$519,076	$1,429,166	$1,415,085	868,246
do cotton	144.960	460,848	585,591	399 883
do silk	412,641	508,708	590,118	458,345
do flax	178,257	489,680	944,227	298,898
Miscellaneous dry goods	73,307	140,231	163,799	73,991
Total withd'n from warehouse	$1,328,141	$3,028,633	$3,698,800	$2,098,963
Add entered for consumption	2,102.270	3,105,322	2,667,469	4,346,822
Total thrown on the market	$3,430,411	$6,133,950	$6,366,269	$6,445,785

ENTERED FOR WAREHOUSING.

	1863.	1864.	1865.	1866.
Manufactures of wool	$588,930	$1,299,462	$651,740	$834,206
do cotton	316,834	302,465	128,914	311,359
do silk	206,285	674,984	118,844	661,961
do flax	369,733	642,794	272,814	456,350
Miscellaneous dry goods	76,459	56,159	64,187	87,040
Total ent. for warehousing	$1,510,241	$2,975,814	$1,245,999	$2,340,916
Add ent. for consumption	2,102,270	3,105,322	2,667,469	4,346,822
Total entered at the port	$3,612,511	$6,081,136	$3,913,468	$6,687,738

If now we add these figures to those for the previous months of the year, we will find that the imports are still largely in excess of any of the previous years we give. The following will show the comparative imports since Jan. 1:

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR FIVE MONTHS FROM JANUARY 1.

ENTERED FOR CONSUMPTION.

	1863.	1864.	1865.	1866.
Manufactures of wool	$7,514,069	$12,951,782	$4,779,320	$14,241,528
do cotton	2,672,363	4,156,135	1,762,516	8,753,752
do silk	4,333,992	8,311 454	2,977,667	9,2 1,964
do flax	3,52 ,772	4,690,970	2,496,840	6,885,851
Miscellaneous dry goods	1,279,554	2,074,394	798,470	3,547,745
Total ent. for consumption	$19,323,750	$32,184,765	$12,814,813	$42,650,840

WITHDRAWN FROM WAREHOUSE.

	1863.	1864.	1865.	1866.
Manufactures of wool	$1,770,639	$4,223,418	$3,785,284	$6,713,635
do cotton	708,699	1,652,524	1,956,740	3,685,728
do silk	1,522,966	2,126,572	1,934,705	3,354,143
do flax	673,107	1,956,893	2,473,611	2,399,846
Miscellaneous dry goods	227,571	271,056	505,341	565,023
Total withdr'wn from wareh'e	$4,703,002	$10,230,268	$10,655,681	$16,687,897
Add entered for consumption	19,323,750	32,184,765	12,814,813	42,650,840
Total thrown on the market	$24,026,752	$42,415,028	$23,470,494	$59,338,737

ENTERED FOR WAREHOUSING.

	1863.	1864.	1865.	1866.
Manufactures of wool	$3,118,969	$4,360,485	$2,532,689	$8,672,545
do cotton	1,627,032	1,094,609	1,180,877	3,350,862
do silk	1,560,978	2,010,675	825,588	2,015,120
do flax	1,537,538	1,614,007	1,584,826	3,052,201
Miscellaneous dry goods	329,900	293,735	303,305	632,527
Total entered warehouse	$8,174,367	$9,373,511	$6,367,285	$17,723,255
Add entered for consumption	19,323,750	32,184,765	12,814,813	42,650,840
Total entered at the port	$27,498,137	$41,558,276	$19,182,098	$60,374,095

From the foregoing it appears that the total values of dry goods landed here since January 1st is $60,374,095, or more than three times the total for the same period of 1865. If now we compare the figures from the beginning of the fiscal year July 1st we will find that the imports for the eleven months of 1865-66, are still very largely in excess of previous years. Below we give the total imports of foreign dry goods at this port for the first eleven months of each fiscal year beginning with July 1, 1855:

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR ELEVEN MONTHS FROM JULY 1ST.

Year.	Value.	Year.	Value.	Year.	Value.
1855-56	$80,722,432	1859-60	102,208,163	1863-64	$78,453,268
1856-57	88,964,962	1860-61	82,104,9 3	1864-65	44,411,871
1857-58	64,517,058	1861-62	34,630,618	1865-66	128,689,027
1858-59	85,834,046	1862-63	59,061,614		

We thus see that the total for the eleven months of this year now amounts to $128,689,027; and as there is another month to complete the fiscal year, the total for the year will probably reach $135,000,000. From these figures it must be evident that a high or low tariff does not regulate the value of our imports.

Gold has been very active during the month on account of the large demand for shipment. The following is a statement of the Treasure movement at New York weekly since January 1, up to the close of May:

TREASURE MOVEMENT FOR 1866.

1866. week ending	Receipts. from California.	Exports. to foreign countries.	Sub-Treasury Customs receipts.	Sub-Treasury Interest payments.	Sub-Treasury Gold Certificates issued.	Sub-Treasury Certificates returned.	In banks at close of week.
Jan. 6	.....	$552,027	$2,107,341	$3,597,240	$3,122,440	$1,34,8832	$15,778,741
" 13	$685,610	640,503	2,334,694	1,180,789	3,206,180	1,578,194	16,852,568
" 20	799,706	685,894	2,754,369	574,162	2,706,409	1,928,641	15,265,372
" 27	.....	656,812	3,226,040	279,842	2,598,400	2,137,048	13,106,759
Feb. 3	944,878	292,568	3'347,422	115,204	2,081,280	2,221,423	10.937,474
" 10	1,449,074	413,409	3,251,734	120.179	1,916,700	2,376,735	10,129,806
" 17	.....	445,489	2,893,008	94,828	2,992,900	2,158,009	10,308,758
" 24	1,309,048	560,198	2,608,796	119,579	5,893,230	1,995,796	14,213,351
Mar. 3	.....	75,453	3,336,934	1,183,343	2,125,000	2,664,934	17,151.130
" 10	1,469,286	556,364	2,297,836	882,712	2,101,000	1,706,835	16,563 237
" 17	1,425,353	236,671	2,464,482	328,593	1,498,400	1,919,483	15,015,242
" 24	389,837	170,297	2,509,419	174,911	361,280	1,886,419	13,945,651
" 31	673,615	3,500	2,451.345	225,414	1,376,000	1,895,334	11,930,202
Apr. 7	.....	216,842	2,563 010	63.140	3,016,840	2,120,100	11.436,295
" 14	729,892	122,623	2,857,704	49,800	5,038,460	2,274,704	11,035,129
" 21	809,459	117,312	2,535,568	35.169	4,201,000	1,971,568	9,495,461
" 28	.....	73,880	2,246,307	40,506	4,137,140	1,760,307	8,243,937
May 5	1,318,271	1,247,249	2,711,181	7,061,900	4,659,000	2,227,181	10.914,997
" 12	1,072,890	1,064,496	2,417,991	2,648,000	3,110,000	1,948,391	13.970,402
" 19	.....	8,763,295	2,542,814	1,702,000	2,842,000	2,669,814	13,595,465
" 26	1,276,505	9,421,766	2,358,455	940,100	9,177,000	1,929,454	19,376,929
Since Jan 1	$14,254,521	26,565,431	56,165,850	21,867,711	68,158,7.0	42,114,112	$.....

The following exhibits the amount of treasure exported from New York to foreign countries from January 1 to the last Saturday in May for fifteen years:

1866	$26,565,431	1861	$3,005,196	1856	$11,180,080
1865	11,716,932	1860	12,360,532	1855	13,889,374
1864	22,281,600	1859	25,684,544	1854	12,925,758
1863	19,248,210	1858	11,785,217	1853	7,094 846
1862	18,108,737	1857	18,021,607	1852	10,518,262

From the above it will be seen that the exports of Treasure for the month have reached over twenty three millions of dollars. This supply came in great part from the sales of the Assistant Treasure at New York. In sympathy with this new demand gold has risen during the month, and closed at 140¼. Below we give the course of gold for the month:

COURSE OF GOLD FOR MAY.

Date.	Open'g	High'st.	Lowest.	Closing.	Date.	Open'g	High'st.	Lowest.	Closing.
Tuesday 1	125¼	127	125¼	126¾	Sunday 20	.....	.....	.....	.....
Wednesday 2	126¾	128¼	126¾	127¾	Monday 21	130⅜	132¼	130⅜	132½
Thursday 3	128¼	128¾	127½	127¾	Tuesday 22	130¾	134¼	130⅜	133½
Friday 4	127¾	127¾	127¼	127¾	Wednesday 23	133¾	138¾	133¾	136¾
Saturday 5	127¼	127¾	127¼	127¾	Thursday 24	139	139¾	137½	139¼
Sunday 6	.....	.....	.....	.....	Friday 25	141¼	141¾	139½	139½
Monday 7	127¾	128¾	127¾	128¾	Saturday 26	139¾	139¾	138	138
Tuesday 8	128¼	129¼	128¼	129¼	Sunday 27	.....	.....	.....	.....
Wednesday 9	129½	129¾	128½	128¾	Monday 28	137½	137½	137	137½
Thursday 10	128¾	129¾	128¼	129¼	Tuesday 29	137¾	138¾	137¾	137½
Friday 11	129¾	129¾	129	129¾	Wednesday 30	138¾	138¾	138	138¾
Saturday 12	129¼	129¼	128¾	128¾	Thursday 31	138¾	140¼	139	140¼
Sunday 13	.....	.....	.....	.....					
Monday 14	130⅜	130¾	130¼	130¾	May, 1866	125½	141¼	125½	140¼
Tuesday 15	130¼	130¾	129½	129½	" 1865	145½	145½	128½	187
Wednesday 16	130¼	130¼	130	130¼	" 1864	177	190	168	190
Thursday 17	130	130½	129½	129¾	" 1863	151	154¾	143¼	145
Friday 18	129¾	130½	129¾	130½	" 1862	102¼	104½	102½	103½
Saturday 19	130¼	130¼	130	130¼	" 1861	100	100	100	100

The following table shows the daily fluctuations of exchange (long) on London, Paris, Amsterdam, Bremen, Hamburg, and Berlin at New York for May, 1866:

COURSE OF EXCHANGE FOR MAY.

Days.	London. cents for 54 pence.	Paris. centimes for dollar.	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin. cents for thaler.
1..	108⅜@109⅜	520 @515	41 @41⅛	78⅛@79⅛	36 @36⅛	71 @71⅛
2..	109⅛@109⅜	518⅜@515	40⅞@41⅛	78⅛@79⅛	36 @36⅛	71⅜@72⅛
3..	109⅛@109⅜	517⅜@515	41 @41⅛	78⅛@79	36⅛@36⅜	71⅜@72⅛
4..	109⅛@109⅜	517⅜@515	41 @41⅛	78⅛@79	36⅛@36⅜	71⅜@72⅛
5..	109⅛@109⅜	517⅜@515	41 @41⅛	78⅛@79	36⅛@36⅜	71⅜@72⅛
6..						
7..	109⅛@109⅜	516⅛@518⅜	41 @41⅛	78⅛@79⅛	36⅛@36⅜	71⅜@72⅛
8..	109⅛@109⅜	518⅜@518⅜	41 @41⅛	79 @79⅛	36⅛@36⅜	72 @72⅛
9..	109⅛@109⅜	515 @512⅜	41⅛@41⅛	79⅛@79⅛	36⅛@36⅜	72⅛@72⅝
10..	109⅛@109⅜	515 @512⅜	41⅛@41⅛	79⅛@79⅛	36⅛@36⅜	72⅛@72⅝
11..	109⅛@109⅜	515 @512⅜	41⅛@41⅛	79⅛@79⅛	36⅛@36⅜	72⅛@72⅝
12..	109⅛@109⅜	516⅛@518⅜	41⅛@41⅛	79⅛@79⅝	36⅛@36⅜	72 @72⅛
13..						
14..	109⅛@109⅜	515 @512⅜	41⅛@41⅛	79⅛@79⅛	36⅛@37	72⅛@72⅝
15..	109⅛@109⅜	515 @512⅜	41⅛@41⅛	79⅛@80	36⅛@36⅞	72⅛@73
16..	109⅛@109⅜	515 @512⅜	41⅛@41⅛	79⅛@80	36⅛@36⅞	72⅛@73
17..	109⅛@109⅞	513⅜@511⅜	41⅜@41⅞	79⅛@80	36⅛@37	72⅜@73⅛
18..	109⅛@109⅜	513⅜@511⅞	41⅜@41⅞	79⅛@80	36⅛@37	72⅜@73⅛
19..	109⅛@109⅜	513⅜@511⅞	41⅜@41⅞	79⅛@80	36⅛@37	72⅜@73⅛
20..						
21..	109⅛@109⅞	515 @511⅜	41⅞@42⅜	79⅛@80	36⅛@37⅛	73 @73⅛
22..	109⅛@109⅜	513⅜@5:0	41⅛@42	79⅛@80	36⅛@37⅛	73⅛@74
23..	109⅛@109⅜	513⅜@510	41⅛@42	79⅛@80	36⅛@37⅛	73⅛@74
24..	109⅛@109⅜	513⅜@512⅜	41⅛@42	79⅛@80	36⅛@37	73⅛@74
25..	109 @109⅛	516⅛@518⅜	41⅛@41⅞	79⅛@79⅞	36⅛@37	73⅛@73⅝
26..	109 @109⅛	516⅛@518⅜	41⅛@41⅜	79⅛@79⅞	36⅛@37	73⅛@73⅝
27..						
28..	109⅛@109⅜	516⅛@512⅜	41⅛@41⅛	79⅛@80	36⅛@37⅛	73⅛@73⅝
29..	109⅛@109⅜	516⅛@512⅜	41⅛@41⅞	7·⅛@80	36⅛@37⅛	73⅛@73⅝
30..	109⅛@109⅜	515 @511⅞	41⅛@41⅞	79⅛@80	36⅛@37⅛	73⅛@73⅝
31..	109⅛@109⅜	513⅜@510	41⅛@41⅞	79⅛@80	36⅛@37⅛	73⅛@73⅝
May	108⅜@109⅞	520 @510	40⅞@42⅜	78⅛@80	36 @37⅛	71 @74
Apr	106⅜@108⅜	537⅜@517⅜	39⅛@41	70⅛@78⅛	35 @36⅛	69⅛@71⅛
Mar	106⅜@108⅞	530@ 518⅜	40 @41	77 @78⅜	35⅛@36⅛	70⅜@71⅛
Feb	107⅛@108⅞	532⅛@517⅜	40⅛@41	77 @79	35⅛@36⅛	70⅛@71⅛
Jan	108 @109⅛	523⅛@515	40⅛@41	78 @79⅛	36 @36⅛	71 @71⅝

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Failure of the Merchants' National Bank at Washington—Government Deposits in Banks—The Bill Providing for the Redemption of National Bank Notes, &c—New York, Boston, and Philadelphia Bank Returns.

THE month among banking circles which has just passed is especially noteable on account of the disastrous collapse of the Merchants' National Bank at Washington. The opprobrious circumstances attending this failure are detailed in an official preliminary report which has been issued and published by the daily press, but we have not room for it here. Moreover, if we are not misinformed, the truth is not all known as yet, and further surprising disclosures will shortly be made. One of the most noteworthy circumstances connected with this failure is the small extent to which the customers of the bank are sufferers. On the first of January last the deposits of private persons were officially reported at $602,309. Had the bank failed, then the loss of individual depositors would have been very heavy. From some causes, which require explanation however, these private deposits, on the day of the failure, were reduced to $38.610. In other words, more than half a million of dollars appears to have been paid to preferred creditors a short time before the crash. Now, from this point of view, it is a singular coincidence that the government deposits between 1st January,

and the failure increased from $94,225 to $762,312, and a more remarkable circumstances still is that over a quarter of a million of government money was placed in the bank within a fortnight of the closing of its doors by complete insolvency.

It has for a long time been no secret that the Merchants' National Bank did not enjoy the high credit which should be indispensable to every bank which is permitted to enjoy the prestige of being a depository of public money. The United States Treasurer, Mr. Spinner, it has accordingly been in some quarters supposed, must have known something of the loss of credit of the bank. It is certain that he has acted with commendable caution in drawing down his deposits. On this subject, Mr. Spinner, in a letter to an evening paper, makes the following statement:

"Now the facts are, that there was standing to the credit of the Treasurer of the United States only $3,858 83. On the day of the failure the bank issued a certificate that $1,155 31 was deposited on account of its semi-annual duty, and on the same day General Robinson directed the bank *to pass from his credit to that of the Treasurer of the United States the sum of* $51,258 98. No money passed in either of these last two transactions, and both were made when it was known that the bank had failed. So far as the Treasurer's account was concerned, there was and is now standing legitimately to his credit *less than four thousand dollars*, while he holds in his hands securities, exclusive of what will be required to redeem the entire circulation of the bank, that would on a sale to-day exceed *one hundred and thirty thousand dollars*. The truth is, that but for the disobedience of orders of a military officer, and the indiscretion of two officers in the Treasury Department—of neither of which the Treasurer had knowledge—no harm could by any possibility have come to the government."

Under the 45th section of the National Banking law, it is the right of Mr. Freeman Clarke, as Comptroller of the Currency, to order, with the approval of the Secretary of the Treasury, an official examination of the affairs of any National Bank. That, in the case of the Merchants' National Bank this examination should have been deferred until after the failure is on every account greatly to be regretted. By falsifying its returns, or by some other contrivances, a disingenuous shaky bank might deceive everybody in the office of the Comptroller of the Currency; but it could scarcely deceive many watchful officers in other bureaus of the Treasury Department. Several disbursing officers, at any rate, must have been in the secret. Now, it is the obvious duty of these subordinates to report to their chief, the Secretary of the Treasury, any and every case of irregularity on the part of the depositorses of public money. If there be no regulation requiring this, such a rule should be made without delay. For how, otherwise can it be known by Mr. McCulloch what banks require looking after, and what public depositories should have their deposits of government money reduced or removed.

How long ago certain disbursing officers have been aware of the dangerous position of the bank we are not told, but there is every reason to believe that the meeting of the 20th April, at which the official examiner says that Lieut. Col. E. E. Paulding, Paymaster United States Army, was present, was the last of a series of anxious consultations of the "friends of the bank." After this meeting, when the insolvent condition of the bank was well known, Col. Paulding, instead of taking measures to draw out the $300,000 of Government funds

which he had deposited there, proceeded next day to place $200,000 more in the bank, two other dishonest officers of the Government adding $43,000 more. Notwithstanding this evidence of fraudulent and concerted purpose we do not hear that any of the parties to the crime have as yet been arrested, with the exception of Col. Paulding himself, who will probably be tried by court martial, and the President of the bank. The preliminary inquiries are, indeed, still going on, and some of the features of this disgraceful affair may assume a different color as more light is shed upon them. In view of this investigation we have only to ask on the part of the public that the fullest publicity be given to the facts, and the severest punishment to the men who shall be found guilty of contriving and conniving at so heinous a crime. Among the subordinate points on which the public desire information is the almost unlimited command which Paulding seems to have had of Government money. We have every reason to believe that our paymasters and other disbursing officers have, with very few exceptions, proved themselves worthy of the highest trust; but we must object in the most positive and emphatic manner to the allowing of Government funds to lie in the hands of any pay officer longer than is absolutely necessary. His office is to disburse and not to hold the public money. His bonds are fixed at a rate which indicates that he is never to hold more than a very limited amount and for a very limited time. Our disbursing officers must be made to understand that the money entrusted to them must be placed, with the least possible delay, in the hands of the creditors of the Government. So far, however, have we diverged from the right and safe rule, that Paymaster Paulding accommodate his friends with a loan of half a million of dollars, and certain banks, it is reported, are accustomed to offer inducements of a pecuniary character to disdursing officers to place Government funds on deposit with them. Any paymaster who receives any such gratuities, whether as interest or any other form, should be instantly disgraced and dismissed the service.

It is worthy of note that no less than sixteen officials in various bureaus had money deposited in the Merchants' National Bank. As its capital was $306,000, the stockholders will, of course, be responsible for the debts of the bank under the stockholders' liability clause of the National Banking law. The currency now outstanding amounts to $179,810. It is supposed by some persons that as the Government will redeem broken bank notes from the proceeds of the bonds deposited at Washington for that purpose, these notes will pass as freely now as before the bank stopped payment. This is a mistake. The notes of a broken National Bank are no longer legal tender from or to the Government. They will be eventually paid by the Treasury, and destroyed. But the law does not provide that they shall be paid except after such a day as may be fixed for that purpose.

The subject of the redemption of National Bank notes is again prominently brought forward by the introduction into the Senate of a bill, providing that "each bank must select, subject to the approval of the Comptroller, a bank in New York, Boston, or Philadelphia at which to redeem its circulating notes at par." It is to be regretted that a bill making this necessary reform should not have been introduced till so late a period in the session. The time has now come when efficient redemption of the bank note circulation can no longer be dispensed

with. In the interests of economy it is urged by many persons that all the National Bank notes should be called in, because the profit of the issue accrues to private persons; while the greenbacks should remain out, because the profit is all gained by the Government. We are not prepared to concur in this view. One of the reasons for preferring bank currency to irredeemable government notes, has been usually said to be that irredeemable notes can be kept afloat to an amount beyond the wants of business. These wants are not fixed, but vary with the season of the year, and with numerous other circumstances. In proportion as there is an excess of paper money afloat, depreciation takes place, and inflation of prices naturally results. Bank notes, on the other hand, if redeemable, can scarcely be long kept out in excess of the monetary wants of the country. Hence, they are not so liable to become redundant, and to produce perturbation of values; for they flow back in a constant stream to the issuer for payment, and the current of the circulation is thus kept at its proper height. Since, without redemption in New York, it is impossible to keep bank notes at par, efforts have been making ever since the National Banking law was passed to have it made more perfect. That enactment, it will be remembered, does not appoint the monetary centre of the country as the place of redemption, but allows the banks to select any one of a dozen other places in preference to and instead of New York. Experience has abundantly shown the truth of the position we have always taken on this question, that our bank notes cannot be permanently kept as a sound uniform currency, except they be compulsorily redeemable in New York, or what is the same thing, in one of the three great cities.

As might be expected the obligation of redemption entails a loss of profit, and is objected to by some of the interior banks. These institutions, however, must learn to rise above the sordid views of private advantage. It is for their interest that the National banking system should be permanent; and without redemption of the bank note this will be impossible. Had an unredeemed paper currency been tolerable to the people of the United States, the National Bank currency would never have been allowed to be issued at all. When these institutions were authorized by Congress, greenbacks were already out, and would have answered the purpose of a currency well if their quantity could have been kept adequate. The profits of issuing such an irredeemable currency are immense. Put those profits, for reasons that appeared sufficient, Congress refused to the National Treasury. Irredeemable notes being out to the extent of 400 millions, and further issues being inadmissible, we created the new banks for the special purpose of issuing 300 millions of notes that should be redeemed, and so redeemed as to be kept steadily at par throughout every State in the Union. The franchise bestowed on the banks was more valuable than any ever given to private persons in this country before. The people have a clear right, therefore, to exact that each National bank, wherever situated, shall take care of its own notes; and that its stockholders while they enjoy their privileges shall perform their duties

The second section of Mr. Clarke's bill is of interest as providing that no bank "shall make loans or discounts or pay dividends" except it has on hand the full amount of its reserve of 25 per cent on its notes and its deposits. This is a conservative provision and will, we suppose, be adopted as will also per-

haps the clause which repeals the exemption from State taxes. We trust, however, that Congress will strike out the opening section which authorizes the issue of $100,000,000 of bank notes in addition to the $300,000,000 already authorized. The country has suffered too much from the evils of an inflated paper currency to submit to any increase in its amount.

The following is the section of the New York Clearing House Constitution which has just been amended by the addition of the words in italics:

The checks, drafts, notes, or other items in the exchanges, returned as "not good," or mis sent, shall be returned the same day directly to the Bank from whom they were received. *And the said Bank shall immediately refund to the Bank returning the same, the amount which it had received through the Clearing House for the said checks, drafts, notes, or other items, so returned to it, in specie or legal tender notes.* But checks, drafts, notes, or other items to be returned for indorsement, or informality, may, after being certified by the Bank returning it, be returned through the exchanges the following morning, not exceeding $5,000 in amount to any one Bank.

As far as this applies to the questions in dispute between the Commonwealth and Continental, it will simply require the former to refund the money it collected from the latter upon the disputed check, without at all affectieg its legal claim to make such collection. If the Commonwealth can legally establish the truth of its assumptions, the Continental will probably be compelled to pay the check.

The Bank returns of the three cities we give below. It will be seen that the specie in New York banks has largely increased during the month and especially the last week, having reached $19,736,929. This is probably due to the payment of gold interest on the five-twenties. The legal tender reserve is also drawn down quite close, but it is still $9,845,000 in excess of the legal requirement.

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs
Jan. 6, 1866...	$283,185,059	$15,778,741	$18,588,428	$195,482,254	$71,617,487	$370,617,628
" 13.....	284,938,193	16,852,568	19,162,917	197,766,999	73,019,957	608,082,837
" 20.....	289,337,726	15,265,327	20,475,707	198,816,248	72,799,892	588,949,311
" 27.....	240,407,686	18,106,759	20,965,888	195,012,454	70,319,146	516,393,672
Feb. 3.....	242,510,382	10,937,474	21,494,284	191,011,695	68,796,950	508,569,193
" 10.....	242,808,873	10,129,806	22,240,469	188,701,463	68,436,013	493,431,033
" 17.....	243,068,263	10,808,758	22,983,274	189,777,290	64,802,980	471,886,751
" 24.....	239,776,200	14,213,351	23,959,918	183,241,404	61,602,736	497,150,067
Mar. 3.....	235,339,412	17,181,180	22,994,086	181,444,378	58,760,145	526,539,959
" 10.....	238,068,274	16,563,237	23,033,237	180,515,881	64,841,802	594,304,912
" 17.....	233,517,378	15,015,242	23,303,057	185,488,707	68,402,764	579,216,509
" 24.....	234,500,518	13,945,651	23,243,406	185,868,245	69,496,088	593,448,864
" 31.....	237,316,099	11,980,392	23,736,534	188,554,592	72,158,099	529,240,640
Apr. 7.....	242,643,753	11,486,295	24,127,061	189,094,961	71,445,065	602,315,748
" 14.....	244,009,889	11,035,129	24,533,961	193,153,469	73,910,970	578,537,853
" 21.....	242,067,063	9,495,463	24,045,957	196,808,578	77,602,688	535,884,778
" 28.....	245,017,692	8,243,937	25,377,280	202,718,574	80,589,022	545,389,666
May 5.....	253,974,134	10,914,997	25,415,677	210,373,308	81,204,447	603,556,177
" 12.....	257,621,317	13,970,402	24,693,259	217,552,853	85,040,659	523,093,538
" 19.....	255,690,463	13,595,465	25,189,864	217,427,729	85,710,107	579,342,498
" 26.....	257,969,598	19,736,929	26,223,867	208,977,905	73,699,947	713,575,444

The returns of the Philadelphia Banks have been as follows:

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866.....	$17,181,229	$45,941,001	$690,832	$7,296,369	$35,342,206
" 8.....	17,236,320	46,774,150	983,685	7,319,528	36,618,004
" 15.....	17,267,412	47,350,498	1,007,186	7,357,972	36,947,709
" 22.....	17,052,559	47,254,622	1,012,960	7,411,337	36,214,553
" 29.....	16,244,277	47,607,558	1,008,835	7,422,534	35,460,661

Feb. 3	16,481,005	47,233,661	1,000,689	7,668,365	34,681,135
" 10	16,852,737	47,249,383	996,312	7,819,599	34,464,070
" 17	16,777,175	46,981,337	953,207	7,843,002	33,925,542
" 24	17,282,602	46,865,582	1,026,408	7,732,070	33,052,253
Mar. 3	17,447,635	46,604,752	1,041,392	8,101,049	32,835,094
" 10	17,292,534	46,546,878	1,055,694	8,248,100	32,504,508
" 17	16,375,608	46,690,788	1,026,068	8,438,184	32,102,427
" 24	15,969,814	46,642,150	981,933	8,580,200	32,144,250
" 31	15,954,633	46,043,488	990,630	8,666,230	32,257,653
April 7	16,622,283	46,028,641	946,283	8,720,270	32,762,280
" 14	18,323,759	45,114,699	949,116	8,743,396	34,640,864
" 21	18,620,513	45,762,733	936,976	8,761,213	35,443,955
" 28	18,949,719	46,832,734	890,941	8,779,166	36,033,863
May 5	19,144,660	48,006,654	912,023	8,794,348	36,987,007
" 12	19,646,263	48,236,256	896,741	8,930,420	38,414,588
" 19	19,648,232	48,336,567	897,918	8,918,938	37,296,645
" 26	19,715,093	48,036,984	867,094	8,988,742	37,078,418

The returns of the Boston Banks are as follows:

BOSTON BANK RETURNS.

(Capital Jan. 1, 1866, $41,900,000.)

	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation—National.	Circulation—State.
January 1	$91,421,477	$801,415	$19,807,300	$38,451,794	$21,497,354	$1,404,721
" 8	92,245,129	1,031,327	19,914,065	41,718,183	21,806,180	1,328,798
" 15	92,959,384	1,029,105	20,438,014	40,939,870	21,946,595	1,273,948
" 22	92,665,111	1,040,114	20,750,698	40,300,619	22,034,642	1,215,675
" 29	92,877,783	1,008,013	20,544,330	39,153,816	21,899,318	1,157,848
February 5	94,578,358	805,287	20,568,185	40,436,163	22,325,428	1,125,726
" 12	94,088,827	632,591	20,412,589	38,768,019	22,348,638	1,057,826
" 19	95,250,429	508,428	20,418,909	38,494,696	22,602,531	1,033,391
" 26	93,539,000	521,292	20,262,177	36,398,481	22,897,971	1,048,092
March 5	92,990,512	556,856	20,031,968	35,581,876	22,606,835	1,006,719
" 12	90,705,159	623,938	19,905,120	35,297,498	22,730,329	721,809
" 19	91,902,811	606,992	20,470,018	36,696,331	24,018,916	910,740
" 26	91,931,236	513,153	20,918,521	35,887,368	23,019,887	901,690
April 2	92,351,979	532,556	20,761,014	36,697,227	23,067,693	869,329
" 9	92,142,975	487,455	21,334,570	37,426,560	23,266,642	830,069
" 16	91,250,882	457,648	19,902,647	37,606,696	23,035,043	777,198
" 23	86,120,897	411,693	19,300,145	36,946,182	22,460,488	744,041
" 30	86,723,001	401,113	19,549,614	38,396,210	22,856,656	744,425
May 7	90,369,569	576,150	21,415,716	41,205,276	23 516,330	719,688
" 14	90,328,554	501,013	22,462,522	42,021,976	23,551,579	696,527
" 21	89,634,864	472,172	22,973,509	41,61 ,149	23,195,968	661,819
" 28	91,833,402	436,391	23,658,956	41,631,746	23,722,917	644,658

THE UNITED STATES DEBT.

We give below the statement of the public debt, prepared from the reports of the Secretary of the Treasury, for April 1, May 1, and June 1, 1866:

DEBT BEARING INTEREST IN COIN.

Denominations.	April 1.	May 1.	June 1.
6 per cent. due December 31, 1867	$9,415,250	$9,415,250	$9,415,250
6 do July 1, 1868	8,908,312	8,908,342	8,908,342
5 do January 1, 1874	20,000,000	20,000,000	20,000,000
5 do January 1, 1871	7,022,000	7,022,000	7,022,000
6 do December 31, 1880	18,415,000	18,415,000	18,415,000
6 do June 30, 1881	50,000,000	50,000,000	50,000,000
6 do June 30, 1861, exc'd for 7.30s	139,284,650	139,313,150	139,314,500
6 do May 1, 1867-82 (5.20 years)	514,780,500	514,780,500	514,780,500
6 do Nov. 1, 1870-85 (5.20 years)	100,000,000	100,000,000	100,000,000
6 do Nov. 1, 1870-84 (5 20 years)	65,175,500	71,(03 500	80,734,500
5 do March 1, 1874-1904 (10.40s)	171,219,100	171,219,100	171,219,100
6 do July 1, '81 (Oregon war)	1,016,000	1,016,000	1,016,000
6 do June 30, 1881	75,000,000	75,000,000	75,000,000
Aggregate of debt bearing coin interest	$1,177,867,292	$1,180,236,342	$1,19 ,835,192

DEBT BEARING INTEREST IN LAWFUL MONEY.

4 per cent Temporary Loan / 5 do do / 6 do do — 10 days' notice.	$121,751,970	131.497,854	$124,561,486
6 do Certificates (one year)	62,258,000	62,620,000	43,025,000
5 do One and two-years' notes	8,536,900	6,036,900	....

6 do	Three years' com. int. notes	172,012,141	167,012,141	162,012,140
6 do	Thirty-year bonds, (Cent'l Pacific R.)	2,362,000	2,362,000	2,362,000
6 do	do (Union Pacific R. E. Div.)	2,272,000	2,272,000	2,130,000
7.30 do	Three years' treasury notes, 1st series	816,512,650	818,944,000	812,221,600
7.30 do	do do 2d series			
7.30 do	do do 3d series			
Aggregate of debt bearing lawful money interest		$1,186,207 011	$1,188,318,545	$1,147,222,226
DEBT ON WHICH INTEREST HAS CEASED.				
Debt on which interest has ceased		$930,580	$877,730	$4,900,430
DEBT BEARING NO INTEREST.				
United States Notes		$422,749,252	$415,164,318	$402,126,318
Fractional currency		28,005,452	28,192,017	27,334,965
Currency		$451,754,704	$443,356,335	$429,463,283
Gold certificates of depos't		9,665,160	9,036,420	22,568,320
Aggregate of debt bearing no interest		$461,419,864	$452,392,755	$452,031,603
Amount in Treasury—				
Coin		$62,069,701	$76,676,467	$50,678,959
Currency		60,077,680	61,310,622	79,011,125
Total in Treasury		$122,147,381	$137,987,029	$129,691,083
RECAPITULATION.				
Debt bearing interest in coin		$1,180,236,842	$1,186,092,842	$1,195,825,192
Debt bearing inter'st in lawful money		1,186,207,011	1,188,313,545	1,147,222,226
Debt on which interest has ceased		930,580	877,730	4,900,430
Debt bearing no interest		461,419,864	452,392,755	402,031,603
Aggregate debts of all kinds		$2,827,793,896	$2,827,676,872	$2,719,479,451
Cash in treasury		122,147,381	137,987,029	129,691,083
Amount of debt, less cash in Treas		2,705,646,515	2,689,689,843	2,670,288,368
LEGAL TENDER NOTES IN CIRCULATION.				
One and two years' 5 per cent notes		$8,536,900	$6,036,900	$ ....
United States notes (currency)		422,749,252	415,164,318	402,126,318
Three years' 6 per ct comp. int. notes		172,012,141	167,012,141	162,012,140
Aggregate legal tender notes in circulation		$603,298,293	$588,213,359	$564,140,458

MICHIGAN.—ITS MINERAL WEALTH.*

Michigan consists of two peninsulas, between which enters Lake Michigan, widely separating the two. Their geological formation is dissimilar—the northern is primitive, composed of gneiss rock and metamorphic slates, with overlying slates and sandstones, the latter containing the great copper veins, and the former immense bodies of magnetic and specular iron ore. The southern peninsula is of the secondary formation its rocks are horizontal strata of limestone, sandstone and slate, the sandstone appearing at the surface in the central and elevated parts of the interior, the limestone underlying it can be traced from the rapids of the Maumee, in Ohio to Saginaw Bay. This southern peninsula is composed almost wholly of groups of the Appalachian series of rocks, the highest of which, the coal formation, occupies the central part of the country, while the shales of the Portage and Chemung group stretch along the shores of Lake Michigan and Lake Huron. This southern peninsula abounds in gypsum coal and salt.

The copper mines of Michigan are situated on the north part of the northern

* This article is a condensation of a very interesting letter written by J. A. Blake, Esq., Editor of the Pittsburg *Oil News*, and recently published in that paper. The letter is dated from Marquette, the centre of the iron interest of the northern peninsula.

peninsula, confined chiefly to the Keweenaw peninsula, forty-three miles in length and with an average width of fifteen miles, and divided into the Keweenaw, Portage Lake and Ontonagon districts. In 1864

Keweenaw district, from its eighteen mines, shipped	lb 25,480,818
Portage Lake, from its thirteen mines, shipped	42,921,691
Ontonagon, from its nineteen mines, shipped	17,220,500
Total	lb 85,610,99[illegible]

of ore, producing about 6,850 tons of copper. The principal mines of the Keweenaw district are the Pittsburg and Boston, Northwestern and Medora; of the Portage Lake district, the Quincy, Franklin and Pewabic; of the Ontonagon, the National, which produced in 1864, 705,981 pounds ore, with the labor of one hundred and seven miners, the estimated production of the full year from the mine being $100,000. Pittsburg was the pioneer in the Lake Superior copper mining enterprise. The second government permit was granted to the Pittsburg and Boston Mining Company in 1844, then known as the Cliff Mining Company. There are now nine Pittsburg companies in active operation, and much of the copper produced is refined in that city. The total number of companies is ninety-four, divided into 1,960,000 shares—the amount claimed to be paid in is $13,109,124, not including the original cost of mining, nor the sums derived from the sale of copper which have been expended in developing the mines. The aggregate dividend is claimed to be $5,600,000.

The iron region is situated in the western and northern parts of the northern peninsula. The iron occurs in a metamorphic formation, bounded by two granite belts—one on the north the other on the south. This formation consists of hornblend, talcose, and chlorite slates, with associated beds of hornblende and felspar rocks. The ore consists mainly of the specular or per-oxide of iron, with an admixture of the fine-grained magnetic. It often happens that a whole ridge or knob is one mass of pure ore. The ore is sometimes mixed with seams of quartz or jasper. The first Michigan iron used was produced from bog ore in various parts of the State. The shipments of ore has been as follows:

1855	1,445	1860	180,000
1856	11,595	1861	45,490
1857	26,184	1862	125,730
1858	81,135	1863	185,575
1859	65,679	1864	273,000

Or a total of 895,763 tons ore, equivalent to nearly 600,000 tons of iron. The total product last year was nearly 300,000 tons of ore. The indirect wealth produced by this great development of mining industry cannot be easily estimated, but we may instance Cleveland, which has arisen from it since 1855, in which there are already iron factories having an aggregate capital of $3,000,000, giving wages to the value of $1,080,000. The receipts there have been.

Of Lake Superior iron	106,439
From all other points	4,857
Total	111,296

Pittsburg manufactures, from this ore, her best varieties of iron and steel. Buffalo and Erie have added millions to their business by it. All the furnaces and rolling mills of the Mahoning Valley have sprung up since its discovery.

The introduction of this pure and rich ore has increased the iron making business west of the Alleghanies to an extent of which few are aware. Before introduction, in 1855, there were but ten blast furnaces in all the region which is now supplied with this ore. Of these three used charcoal and seven bituminous coal (smelting the native ores of Ohio and Pennsylvania), and the aggregate capacity was about twenty thousand tons of pig iron per annum. In the same territory are now fifty-five blast furnaces, of which twelve are charcoal, thirty-nine bituminous, and four anthracite coal, with an aggregate capacity of about 216,000 tons of pig iron per annum. Every one of these fifty-five furnaces uses the Lake Superior ore, some but to a small extent, while thirty-two use it exclusively.

It seems strange that Michigan herself is last to appreciate the importance of her vast iron interests. The immense extent of the district, the mountain masses of the ore, its purity and adaptation to the manufacture of the most valuable kinds of iron, and the immense forests suitable for charcoal render it by far the most extensive and valuable in the world for the manufacture of iron. Add to these prime facilities in abundance of capital and skilled labor, and channels of communication unrivaled, and we see no reason why the northern peninsula of Michigan should not become pre-eminently the iron district of the country. There is a great lack of furnaces in the Lake Superior region, as is evidenced by the enormous quantities of ore that are being shipped to ports down the lake, where the cost of smelting is greatly enhanced. Furnaces at the mines is the cheapest and best economy. Marquette is a natural iron city, and yet her furnaces are few. Detroit and Wyandotte lie near enough to become great manufacturing cities, and yet the total capital invested in this business in the two cities does not exceed $2,500,000, and the annual manufactured product is not over $3,500,000. Pittsburg, to-day, manufactures more of the Lake Superior iron than the whole State of Michigan. It has been urged against extensive iron manufactures in the Lake Superior region, that the supplies of timber would soon be exhausted. A single furnace in these iron regions, with a capacity of twenty thousand tons, will consume five hundred acres of heavily timbered land every year, or thirty-seven thousand cords of wood. With this ratio of consumption, and hundreds of furnaces to feed, it would require but a few years before the supply of fuel would give out. But it has lately been discovered that in all the area of the upper peninsula where the carboniferous limestone exists, there are indications of the existence of bituminous coal.

The coal fields of the southern peninsula possess an area of 12,000 square miles. The Jackson and the Corunna mines are already at work. The total receipts at Detroit last year being 34,355 tons. The produce compares favorably with the best bituminous coal in this country and Europe, as will be seen by the annexed table:

Where mined.	Specific gravity.	Vol. Matter.	Fixed Carb'n.	Ash.
Jackson, Mich.	1,261	36.14	58.63	3.97
La Salle, Ill.	1,237	39.90	55.10	3.00
Belleville, Ill.	1,246	36.80	57.70	4.50
Cannelton, Ind.	1,272	36.59	59.47	3.9
Pittsburg	1.290	32.95	64.72	2.3
Breckinridge, Ky.	1,150	64.30	27.16	8.4
Grayson, Ky.	1,371	62.03	14.36	23.6

Atkinson, Md	1,313	15.53	76.69	7.33
James River, Va	....	32.57	58.79	8.64
Albert, N. B.	1, 29	61.74	36.04	2.22
New Castle, Eng	1,256	31.50	67.65	0.85
Scotch Cannel	1,420	53.70	4.90	38.80

The Saginaw Salt, which five years ago was unheard of, produced in 1864 3,000 000 bushels valued at $1,250,000. The whole eastern part of the southern peninsula north of a line drawn from Monroe to Granville contains inexhaustible reservoirs of the strongest brine. Salt can be sent thence to New York at a less price than the same can be furnished from Onondaga or Syracuse. Last year the produce reached 529,073 barrels, the value at shipping port being only 25c per barrel.

ARMY MORTALITY.

When President Lincoln, on the 15th day of April, 1861, called for 75,000 militia for three months' service, the army of the United States had the names of about 14,000 men on its rolls. During the ensuing four years, 2,688,523 men were enlisted for the following periods of time:

For three months	191,985	For two years	43,113
For six months	19,076	For three years	1,950,792
For nine months	87,558	For four years	1,040
For one year	394,959		
Total			2,688,523

The records of the office of the Provost-Marshal-General show from what State, county or town these men came, and what became of each one. These records tell us that of this large number of troops, 2,408,103 left the army alive. Some of them deserted, a few were dismissed before their term of service expired; a glorious band went home armless, legless, eyeless, through their patriotic endeavors to save their country from dismemberment. But the majority returned safe and sound to the place of enlistment, there to be mustered out for home.

But 280,420 men, good, true and loyal, sealed their patriotism with their blood. Death met them in every shape. Over 40,000 died on the field of battle; 35,000 survived the shock of the conflict only to die of wounds, while 184,000 died of disease in tent or hospital, or by the way-side. To give the exact figures, 96,089 died of battle or of wounds, while 184,331 died of disease. This proves that the great mortality of war does not arise from the deadly bullet. It is the hardship of the campaign, the change of mode of life, the difference in climate, that rolls up the terrible record of dead. Two persons died of disease in this war for every one that fell from an enemy's weapon. Yet this percentage of disease is far less than that of other countries and other ages. In the Crimean war, seven-eighths of the mortality of the British troops during the entire campaign were due to disease, and one-eighth only to deaths from wounds received in action. In January, 1855, the month of the greatest mortality of that campaign, *ninety-seven per cent* of the entire mortality of the British troops resulted from disease. "At this rate," says Elliot, "to supply the loss occasioned merely by death, this army would need to be replaced by a new army of equal numbers once in about ten months."

The following tables show the causes of mortality in our armies during the whole war, and the arms of service in which that mortality occurred:

Arm of Service.	KILLED		DIED OF DISEASE		Total.
	Officers.	Men.	Officers.	Men.	
REGULARS.					
Cavalry	23	284	18	470	795
Artillery	32	308	12	472	824
Infantry	102	1,298	53	1,807	3,260
Total	157	1,890	83	2,749	4,879
VOLUNTEERS.					
Cavalry	522	10,834	331	24,702	36,389
Artillery	126	2,585	99	8,725	11,535
Infantry	4,246	72,732	1,718	119,633	198,319
Total	4,894	86,151	2,148	153,058	246,243
COLORED TROOPS.					
Cavalry	4	131	1	883	1,019
Artillery	4	57	16	3,508	3,595
Infantry	162	2,629	73	21,830	24,684
Total	170	2,827	90	26,211	29,298
CAVALRY.					
Regulars	23	284	18	470	795
Volunteers	522	10,834	331	24,702	36,389
Colored	4	131	1	883	1,019
Total	549	11,249	350	26,055	38,203
ARTILLERY.					
Regulars	32	308	12	472	824
Volunteers	126	2,585	99	8,725	11,535
Colored	4	57	16	3,508	3,595
Total	162	2,960	127	12,705	15,954
INFANTRY.					
Regulars	102	1,298	53	1,807	3,260
Volunteers	4,246	72,732	1,718	119,633	198,319
Colored	162	2,629	73	21,820	24,684
Total	4,510	76,659	1,844	143,250	226,263

GRAND TOTALS.

Whole number of deaths in Reg. Army	4,879	Whole number of deaths in Cavalry	38,203
" " Volunteers	246,243	" " Artillery	15,954
" " Col. Troops	29,298	" " Infantry	226,263
Total	280,420	Total	280,420

From these tables it appears that 5,221 officers and 90,868 enlisted men were killed on the battle-field, or subsequently died of their wounds; while 2,321 officers and 182,010 enlisted men died of disease. So that about one officer was slain in battle for about every 18 men, while only one officer died for every 80 men in the hospital. This excess of loss of life among the officers in battle is partly due to the fact that in battle they are expected to lead their men on; and still more, it may be, that when sickness intervenes they have medicines, care, and nourishing food, that circumstances forbid to be given to the bulk of the army.

The number of white troops enlisted was almost exactly 2,500,000 men; the number of deaths among them, 251,122 or one death out of 10. The number of colored troops was 180,000, of whom 29,298 died, or about one out of six. The death rate of the colored troops was therefore nearly double that of the white, but the death rate from disease alone was far worse than this. Out of every eight deaths among the white troops, three died on the field of battle, and five from disease. Out of every nine deaths among the blacks, one died on the field of battle and eight from disease. The negro, as Slavery has left him, feeble of will and with but little moral stamina, is less capable than the white man of enduring the physical trials of the military services.

The above tables show that the regular service is far safer, both on the battle-field and in the hospital, than the volunteer force. Out of the same number of troops of either force, seven volunteers would die to six regulars; the mortality among the former was nearly 15 per cent greater than among the latter.

These army records give the precise number of men who died while in their country's service. It does not tell us of that great host who, dismissed at their own request for disability, went home to die. An examination of the pension records would partly supply this want; but the full number of those who gave heir lives to their country can never be known.

GRAIN TRADE OF MINNESOTA.

A slip from the office of the Winona *Republican* gives some statistics of the grain trade of that town, and of the new State of Minnesota, from which we compile the leading statements. The rapid growth of wheat culture in Minnesota is approximately indicated by the following figures:

	Acres in Wheat.	Bushels harvested.	Proportion of tilled land in Wheat.
1859	124,792	2,374,415	34.45
1860	231,315	5,101,432	53.88
1865	400,000	10,000,000	62.00

The grain statistics of Winona give the following result:

	Bushels.
Received by railroad and shipped from elevator	6,656,000
Received otherwise than by railroad and shipped from warehouses	845,116
Total	2,501,116
Barrels of flour shipped 8,406, which, reduced to wheat, gives in bushels	42,030
Grand total of wheat and flour exported	2,543,146

The following table gives a comparative exhibit of the shipments of Wheat from this port for a series of years, commencing with 1859:

Year,	Exports	Year.	Exports
1859.....bush	130,000	1863.....bush	1,251,830
1860.....bush	405,000	1864.....bush	1,854,795
1861.....bush	993,133	1865.....bush	2,543,146
1862.....bush	1,203,161		

Besides Winona, the principal exporting towns in the State are as follows:

	Bushels.		Bushels.
Red Wing	1,298,639	Wabashaw	185,826
Hastings	948,405	Reed's Landing	65,549
Lake City	660,394	Other points, say	50,000
Brownsville	576,000		
St. Paul	326 560	Total	4,411,373
Minneiska	200,000	Exports of Winona	2,543,146
Aggregate exports from the State			6,954,519

The following partial comparison will show the rapid increase of the Wheat trade of the State:

	Bushels.		Bushels.
1859	350,000	1865	6,954,519
1860	1,600,000		

The wheat now in store in the several elevators on the line of the Winona and St. Peter Railroad is as follows:

	Bushels.		Bushels.
Winona	75, 00	Evota	20,000
Rochester	50,000	Lewiston	15,000
St. Charles	25,000		
Total			185,000
In store outside of elevators in the foregoing places, except Winona, (estimated)			50,000
In warehouses at Winona, (estimated)			125,000
Other river towns, (estimated)			565,000
Total in store			925,000

In addition to the Wheat in store, there is stilt a very large quantity in the hands of the producers, awaiting an advance in prices. It is probably not an exaggeration to say that there is a surplus of at least 2 500,000 bushels in the State, to be shipped next spring. Previous to 1858, the breadstuffs consumed in Minnesota were imported.

TAXATION OF STOCKHOLDERS OF BANKS—ACT OF NEW YORK LEGISLATURE.

The f llowing is a certified copy of the act passed by the Legislature of New York on the 23d of April of this year:

An Act authorizing the taxation of stockholders of Banks, and the surplus funds of Savings Banks.

Passed April 23, 1866.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. No tax shall hereafter be assessed upon the capital of any bank or banking association organized under the authority of this State, or of the United States, but the stockholders in such banks and banking associations shall be assessed and taxed on the value of their shares

of stock therein; said shares shall be included in the valuation of the personal property of such stockholder, in the assessment of taxes at the place, town, or ward where such bank or banking association is located, and not elsewhere, whether the said stockholder reside in said place, town or ward, or not, but not at a greater rate than is assessed upon other moneyed capital in the hands of individuals in this State. And in making such assessment there shall also be deducted from the value of such shares such sum as is in the same proportion to such value as is the assessed value of the real estate of the bank or banking association, and in which any portion of their capital is invested, in which said shares are held, to the whole amount of the capital stock of said bank or banking association. And provided, further, that nothing herein contained shall be held or construed to exempt from taxation the real estate held or owned by any such bank or banking assotion; but the same shall be subject to State, county, municipal and other taxation to the same extent and rate and in the same manner as other real estate is taxed.

SEC. 2. Every individual banker doing banking business under the laws of this State, is hereby required to declare upon oath before the assessor the amount of capital invested in such banking business, and each one hundred dollars of such capital for the purpose of this act, and for the purpose of taxation shall be held and regarded as one individual share in such banking business, and such shares are hereby declared to be personal property. If such banker have partners he shall declare upon oath before the assessor the number of shares held by each of them in such banking business, ascertained as above provided, and the shares so held by any partner shall be included in the valuation of his taxable property in the assessment of all taxes levied in the town, school district, or ward where such individual banker is located, and not elsewhere; and such individual banker shall pay the same and make the amount so paid a charge in his accounts with such partners; and if such individual banker have no partners he shall be held to be sole owner of all the shares in such business of banking, and the same shall be included in the valuation of his personal property in the assessment of all taxes levied in the town, school district or ward where his bank is located, and not elsewhere.

SEC. 3. There shall be kept at all times in the office where the business of such bank or banking association, organized under the authority of this State or the United States, shall be transacted, a full and correct list of the names and residences of all the stockholders therein, and of the number of shares held by each; and such list shall be subject to the inspection of the officers authorized to assess taxes during the business hours of each day in which business may be legally transacted.

SEC. 4. Sections ten and eleven of chapter ninety-seven of the session laws of eighteen hundred and sixty-five are hereby repealed.

SEC. 5. When the owner of stock in any bank or banking association, organized under the laws of this State, or of the United States, shall not reside in the same place where the bank or banking association is located, the collector and county treasurer shall, respectively, have the same powers as to collecting the tax to be assessed by this act, as they have by statute, when the person assessed has removed from the town, ward or county in which the assessment was made: and the county treasurer, receiver of taxes, or other officers authorized to receive said tax from the collector, may all or either of them have an actionto collect the tax from the avails of the sale of his shares of stock, and the tax on the share or shares of said stock shall be and remain a lien thereon till the payment of said tax.

SEC 6. For the purpose of collecting such taxes, and in addition to any other laws of this State, not in conflict with the constitution of the United S ates, relative to the imposition of taxes, it shall be the duty of everysuch bank or banking association, and the managing officer or officers thereof, to retain so much of any dividend or dividends belonging to such stockholders as shall be necessary to pay any taxes assessed in pursuance of this act, until it shall be made to appear to such officers that such taxes have been paid.

SEC. 7. The privileges and franchises granted by the legislature of the State, to savings banks or institutions for savings, are hereby declared to be personal property, and liable to taxation as such in the town or ward where they are located, to an amount not exceeding the gross sum of their surplus earned, and in the possession of said banks or institutions; and the officers of such institutions or banks, may be examined on oath by assessors, as the amount of such surplus; and the property of such banks and institutions shall be liable to seizure and sale for the payment of all taxes assessed upon them for said privilege and franchises.

SEC. 8. This act shall take effect immediately.

STATE OF NEW YORK,
Office of the Secretary of State.

I have compared the preceding with the original law on file in this office, and do hereby certify that the same is a correct transcript therefrom and of the whole of said original law.

FRANCIS C. BARLOW,
Secretary of State.

CONTENTS OF JUNE NUMBER.

	PAGE
1. Taxation of Government Bonds	409
2. The London Financial Panic—its Causes and Effects	413
3. Coal in the United States	418
4. What Fixes a Rate of Interest	423
5 Statistical information—Its uses and Importance	429
6. The English Budget	431
7. Debt and Finances of Georgia	435
8. Public Debt of Alabama	440
9. Analyses of Railroad Reports	442
10. National Aid to American Steamships	454
11 The Past and Future Cotton Supply	457
12. Commercial Chronicle and Review	459
13. Journal of Banking, Currency and Finance	468
14. The United States Debt	473
15. Michigan, its Mineral Wealth	474
16. Army Mortality	477
17. Grain Trade of Minnesota	479
18. Taxation of Stockholders of Banks—Act of New York Legislature	479

LIBRARY OF THE UNIVERSITY OF

14 DAY USE
RETURN TO DESK FROM WHICH BORROWED
LOAN DEPT.
RENEWALS ONLY—TEL. NO. 642-3405
This book is due on the last date stamped below, or
on the date to which renewed.
Renewed books are subject to immediate recall.

MAR 12 1970 79
REC'D LD FEB 26 '70 -11 AM
REC'D LD DEC 12 1973 6 PM
REC. CIR. JUN 23 1981
REC. CIR. JUN 25 1981

LD21A-60m-6,'69
(J9096s10)476-A-32

General Library
University of California
Berkeley

U. C. BERKELEY LIBRARIES

C041807533

HF1
N15
V.54

v.2 1961